



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
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by
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

SB 348 – RELATING TO THE HAWAII PUBLIC SERVICE LOAN FORGIVENESS PROGRAM

Chair Kahele, Vice Chair Kidani, and members of the committee:

Thank you for the opportunity to submit testimony on SB 348. This bill creates a public service loan forgiveness program and revolving fund in the University of Hawai'i (UH). It also establishes eligibility and repayment requirements for individuals who complete an associate, bachelor, or graduate degree program within the University of Hawai'i System and agree to work full-time for the State or county for a specified number of years as determined by the University.

UH does not take a position on the objectives of the bill and has not done an analysis on whether there is a shortage of employees or employment need in the areas cited in the measure. In general, the University is supportive of the Legislature's intent to provide financial support for students to complete their associates, bachelors or graduate degrees at UH.

However, if this bill is to continue in the process, UH would request the following suggested revisions to the current draft of the bill:

Page 3, line 3-6, please replace the current language with the following:
The board of regents shall adopt policies to implement the Hawaii public service loan forgiveness program. The board of regents shall adopt the policies at an open meeting subject to chapter 92.

Please add the following two subsections to page 4, after line 17:
(h) The University of Hawaii may initiate any number of loans or amounts in compliance with this chapter and in accordance with established rules or policies established by the University. Loans may be distributed on a first-come first-serve basis and only to the extent that funds are available in the Hawaii Public Service Loan program revolving fund.

(i) In establishing rules or policies for the distribution of funds in this program, the University may consider prioritizing availabilities of funds and loans to majors or degrees that will assist meeting job requirements that are technical in nature, or specific industry areas, or a shortage of positions that require special education credentials.

The University also feels that an appropriation and, at least, one position would be necessary to fulfill the requirements of this measure and respectfully suggests language to that effect:

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$ or so much thereof as may be necessary for fiscal year 2017-2018 and the same sum or so much thereof as may be necessary for fiscal year 2018-2019 for the Hawaii Public Service Loan Program within the University of Hawaii System by establishing one full-time equivalent (1.0 FTE) program specialist position to be determined by the University of Hawaii to administer this program.

SECTION 4. Any balances remaining in the Hawaii public service loan program revolving fund at the conclusion of the fiscal year shall not lapse but rather will continue to be available to service loans, administrative costs, or other expenses related to the program in future years.

Thank you for your consideration.