



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
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by
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SB 101 Proposed SD1 – RELATING TO STATE FUNDS

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

The University of the Hawai'i (UH) is opposed to SB 101 Proposed SD1, Relating to State Funds.

The purpose of this bill is to require that employer contributions to the Employees' Retirement System (ERS) on behalf of a civil service or exempt status employee hired under special fund revenues and whose contributions are paid to the ERS shall be paid from the respective special fund rather than the general fund.

This legislation would have a significant effect on the operations of the UH. The Department of Budget and Finance (B&F) and the University have an agreement whereby fringe benefits costs for employees whose payroll expenses are paid for by the Tuition and Fees Special Fund (TFSF) shall be paid for by the State general fund.

Should TFSF have to pay for the employer's share for ERS for these positions, it would cost the University approximately \$6.8 million, which represents 2 percent of the \$345.6 million in TFSF revenue collected for FY17. This difference would have to be made up of either a tuition increase, decreased programs, or a combination of the two.

The University recognizes the fiscal condition of the State of Hawai'i but respectfully requests that this bill be held and the current agreement between B&F and the University continue as it has since 2005.

Thank you for this opportunity to testify.