Testimony Presented Before the House Higher Education Committee

HB 772, Proposing Amendments to Article VII, Section 8, and Article X, Section 5, of the Hawai‘i Constitution, to Provide the University of Hawai‘i with Complete Autonomy from the Executive Branch

February 3, 2005

by

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Interim President
University of Hawai‘i
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Chair Thomas Waters and Members of the Committee:

HB 772, proposes amending Article VII, Section 8, and Article X, Section 5, of the Hawai‘i Constitution to provide the University of Hawai‘i complete autonomy from the Executive Branch, removal of the University from the Executive Branch, prohibit the University from receipt of general funds, and require the Board of Regents to submit a separate budget to the legislature.

The University of Hawai‘i is Hawaii’s public higher education institution. The objective of autonomy is not privatization. Rather it is to increase capacity and procedural independence to enable the University to use the essential state support entrusted to it to respond to the needs of Hawai‘i—its people and economy. Access to public postsecondary education has long been a public agenda priority of Hawaii’s elected officials; it is a top priority of the University’s Strategic Plan. The University needs general fund support to advance this public agenda, and it needs direct state support to carry out research and service activities that directly benefit Hawaii’s citizens and for which there are no other sources of funds.
Like public institutions elsewhere, the University of Hawai’i should continue to receive a significant share of its total revenues from general funds. Depending on their capacity to attract federal and private support and the types of state functions assigned to them, public institutions on average receive 40 percent of their total revenues from state and local support. For two year institutions, the share from state and local support increases to over 62 percent (National Center for Education Statistics).

While the University seeks greater flexibility in its operations the University is very cognizant of the importance of the continued receipt of general funds. Without general fund appropriations, the University would not be able to maintain current levels of academic programs and services or meet the higher education needs of the state’s workforce.

Tuition can never be expected to cover the full cost of education for state residents. Public postsecondary education is a public and a private good. Both the student attending college and the public at large benefit; both should share the cost. Tuition increases may be considered as an alternative revenue source for general funds; however, raising tuition to levels sufficient to replace the University’s current level of general funds would make access to higher education prohibitively expensive and deny access to many of the state’s citizens.

Thank you for the opportunity to testify on this bill.