HB 1491 – RELATING TO THE BUDGET

Chair Choy, Vice Chair Ichiyama and members of the Committee:

We appreciate the opportunity to present our comments on this measure, which would repeal the University’s exemptions from the quarterly allotment system, and thereby require the Department of Budget and Finance to exercise more controls over the appropriations of funds to the University of Hawai‘i. This section of law is primarily intended to control the use and allocation of general funds, and would make it more difficult for the University to expend its limited general fund appropriation, which comprises less than 40 percent of our entire operating budget.

Additionally, we recently adopted the Kuali Financial System (KFS), an open source financial management system developed by a consortium of universities, to assist both public and private universities in managing their myriad of revenue sources. The KFS system does not recognize fiscal quarters, per se, and requires our fiscal administrators to develop and input an annual budget at the beginning of each fiscal year. Should we be required to request quarterly allotments from the Department of Budget and Finance, this could potentially impact our annual budgets, and in turn, the leveraging of our various revenue sources. Essentially, this measure would add more paperwork for our fiscal administrators, many of whom are still realizing the potential that KFS offers in managing their day-to-day fiscal responsibilities.

Therefore, we respectfully request that this measure be deferred.