



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
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by
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HB 542 – RELATING TO THE BUDGET

Chair Choy, Vice Chair Ichiyama, and members of the Higher Education committee:

Thank you for this opportunity to testify. The University of Hawai'i (UH) opposes HB 542, Relating to the Budget. This bill would remove certain program executive provisions that are specific to UH, in addition to establishing reporting requirements for all departments.

Section 1 would establish a master list of non-general fund accounts and require the director of finance to submit such a list to the Legislature. UH defers to the Department of Budget and Finance on this section.

Other sections, however, would remove certain program executive provisions that would impede operations at UH and would appear to violate Article X, Section 6 of the Hawai'i State Constitution, which states that "...The board (of regents) shall also have the exclusive jurisdiction over the internal structure, management, and operation of the university..." A number of the proposed deleted sections of Hawai'i Revised Statutes allow for budget flexibility of the University to manage financial operations in conjunction with the provision above. For example, the bill proposes to eliminate Section 37-74(d)(2), HRS, which currently permits the University's "flexibility to transfer appropriated funds and positions for the operating cost category among programs among cost elements in a program, and between quarters, as applicable." Eliminating such a provision effectively eliminates basic fiscal budgetary flexibility that is afforded other departments specified in Section 37-74, HRS.

We therefore respectfully request that you hold this measure, or pass this measure in an amended form to only include Section 1 at the deference of the State Budget & Finance Director.

Thank you for your time and consideration.