HB 985 – RELATING TO THE UNIVERSITY OF HAWAII OPERATING COSTS

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) supports the intent of HB985, Relating to the University of Hawaii Operating Costs, but has some concerns. This bill would mandate that beginning on July 1, 2015, 60 percent of the operating costs of UH be financed through general funds.

In the recent budget submittal to the Legislature, the total operating budget for UH is approximately $1.1 billion. General funds requested total $420 million, or about 37.9 percent. To reach the 60 percent mandated in this measure, an additional $245 million would need to be appropriated in each fiscal year.

While we appreciate the intent of the measure, the magnitude of the additional amount of general funds that would be required should give the Legislature some pause. In addition, mandating general fund appropriations will ultimately limit the Legislature’s ability to appropriate funds for other areas or to handle a downturn in revenues.

Thank you for your time and consideration.