UNIVERSITY OF HAWAIʻI SYSTEM
Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
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by
Randolph G. Moore
Chair, University of Hawaiʻi Board of Regents
And
David Lassner
President, University of Hawaiʻi

SB 637 – PROPOSING AN AMENDMENT TO THE HAWAII CONSTITUTION TO DIVEST EXCLUSIVE JURISDICTION OF THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII OVER THE INTERNAL STRUCTURE, MANAGEMENT, AND OPERATION OF THE UNIVERSITY OF HAWAII

Chair Tokuda, Vice Chair Kouchi, and Members of the Committee:

Thank you for this opportunity to testify on SB637, which proposes a constitutional amendment to divest the Board of Regents from exclusive jurisdiction over internal structure, management and operations of the University of Hawaiʻi. The University of Hawaiʻi strongly opposes this measure.

SB 637 does not provide a rationale for this action but as background, we note that the current constitutional language was approved by a majority of voters in 2000 (after it was unanimously approved by the Legislature in 2000). That constitutional amendment was the culmination of many years of discussion in which the broad community began to appreciate the critical role of the University of Hawaiʻi (UH) in our state's economy and the importance of flexibility in enabling the UH to deliver on our potential to advance the economy. During that period prior to the 2000 amendment the Legislature itself passed a number of well-considered actions to increase flexibility.

We believe this widely accepted advance in public policy has been a huge success for Hawaiʻi and will highlight below just a few of the outcomes UH has been able to achieve with the flexibility granted:

In Fiscal Year (FY) 99 UH's total expenditures were approximately $730 million, of which over half ($380 million) were state general funds. In FY14 total expenditures have more than doubled, to over $1.5 billion, with state general funds now contributing less than 30% ($420 million).

The widely respected UH Economic Research Organization (UHERO) estimated in 2013 that each dollar of state general funds, now approximately $420 million, translates into $9.61 of total business sales, $2.91 of employee earnings, and $.52 in tax revenues

returned to the state.

In FY01 the total extramural awards to UH totaled $216 million. For FY14 that number was $392 million, an increase of over 80%. UH experienced a peak in FY11 when the UH was able to leverage the federal stimulus act (ARRA) to bring over $488 million in extramural funding into Hawai‘i when the State needed the economic stimulus most.

Fall enrollment in the 1999 academic year was 45,000 and grew to over 57,000 in Fall 2014. This represents an enrollment increase of over 26% achieved with a growth in general fund investment of less than 11%. And again, UH was able to respond to community needs by enrolling over 60,000 students during the peak of the recession when our citizens most needed additional education and training to compete in a difficult job market — even as our state budgets were being cut.

In 2000, UH awarded 7,238 degrees and certificates. In the 2014 academic year UH awarded 11,278 degrees and certificates, the most in our history and an increase of over 55% since 2000. On average, a bachelor’s degree recipient earns over $1 million more in their lifetime than someone with only a high school diploma, making the impact of these additional degrees to our people, families and communities is substantial.

Under its own authority, UH has created innovative programs to advance student success including: a degree audit system that works across multiple campuses, the development of multi-campus degree pathways, reverse transfer, automatic admission, and the nationally renowned “15 to Finish” program.

Since 2000, UH has undertaken over $1 billion in major construction, stimulating economic activity across the state. In addition to numerous renovations, some of the major milestones include: a completely new campus at UH West O‘ahu; a new Kaka‘ako campus comprised of the John A. Burns School of Medicine and the Cancer Center; the LEED Platinum Center for Microbial Oceanography Research and Education and a new Frear Hall at UH Mānoa; the new IT Center for the UH System (LEED Gold certification pending); a new Education Building at Leeward Community College; the One Stop Center at Kaua‘i Community College; a new Science Building at Maui College as well as the new Institute for Astronomy Advanced Technology Research Center in Kula; a new Learning Resource Center (Library) at Windward Community College; a new Hawaiian Language Building, Science and Technology Building, Student Life Center and Student Housing at UH Hilo; and of course, the first phase of our long-awaited new Pālamanui campus is nearing completion in West Hawai‘i.

Since 2000, UH has: replaced 10 campus student information systems on our campuses with a single integrated system; implemented the State’s first competitive online procurement system; completely replaced our financial system; implemented a new online research administration system that allows proposals to be submitted online

to the federal government; automated UH‘s payroll interface to DAGS; moved from paper to online distribution of payroll statements (a concern noted for the rest of state government by the Governor in his state of the state address); moved vacation/sick leave processing online; and implemented online timesheets for hourly workers.

Proactive actions and successes such as these are consistent with the expectations of the Legislature and community in 2000 (when the current constitutional language was adopted). Charging Boards of Regents with responsibility for the structure, management and operations of public colleges and universities is the consistent best practice across the nation.

The University of Hawai‘i welcomes the opportunities to engage in public conversation with the Legislature and the community about major policies, directions and priorities. However, we believe that maintaining jurisdiction over internal structure, management and operations, as described by our constitution, is the appropriate purview and responsibility of the Regents, who are appointed by the Governor and confirmed by the State Senate.

Thank you for this opportunity to testify in strong opposition to this measure.