



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
January 23, 2019 at 1:30 p.m., Room 308

By
Kalbert K. Young
Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB2 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Cullen, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) is in **support** of House Bill (HB) 2, Relating to the State Budget. This bill appropriates funds for the operating budget for the Executive Branch for fiscal years 2019-2020 and 2020-2021, also known as Fiscal Biennium 2019-21.

Our understanding is that this represents a “base” budget and reflects appropriation levels as set forth by Act 53, Session Laws of Hawai'i 2018, with adjustments to account for already agreed upon collective bargaining increases and non-recurring expenditures. Furthermore, it is our understanding that this will not be the only appropriation measure passed this Legislative Session and that other bills to appropriate additional funds to the various department will be forthcoming.

With that understanding, UH is supportive of HB2 to the extent that we recognize the House of Representative's approach to explicitly identify funding that is recurring and can be agreed to as a “base budget.” UH expects to work with all House members and especially the House Committee on Lower and Higher Education to ensure that funding for programs not already provided for in HB2 can be adequately provided for.

HB2 provides a level of base funding to the University, but still leaves other processes to provide general fund support to Athletics programs at UH's Mānoa and Hilo campuses, as has been provided in recent years:

Prog ID	Description	FTE (P) 20	\$\$\$ 20	FTE (P) 21	\$\$\$ 21	MOF
UOH100	Funding Support for Athletics	-	2,700,000	-	2,700,000	A
UOH210	Funding Support for Athletics	-	300,000	-	300,000	A

In addition, the UH Board of Regents has formally requested consideration of additional funding for the following programs and initiatives which have not been included in HB2:

Prog ID	Description	FTE (P) 20	\$\$\$ 20	FTE (P) 21	\$\$\$ 21	MOF
UOH800	Roll-over Act 14/18 funding into the Promise Program base	-	700,000	-	700,000	A
UOH900	Additional Funds for Hawai'i Promise for 4 year institutions	-	19,000,000	-	19,000,000	A
UOH100	Raise Graduate Assistant (GA) Stipend	-	2,198,360	-	2,242,327	A
UOH100	Learning Assistants & Peer Mentoring for Mānoa	1.00	956,600	3.00	1,408,876	A
UOH210	Funding support for Learning Assistants, Peer Mentors and Graduate Assistants at UH Hilo		122,000		231,000	A
UOH700	Add funds for student employment at UH West O'ahu, including hiring Learning Assistants.		300,000		300,000	A
UOH800	Funding support for student Mentors & Tutors at the Community Colleges		1,004,400		1,004,400	A
UOH100	General funded position counts for the Athletics Program	30.00		30.00		A
UOH100	Facilities Maintenance positions for Mānoa	6.00		6.00		A
UOH900	Construction manager and inspector positions for the Office of Project Delivery.	4.00		4.00		A
UOH210	Positions and funds for the Custodial & Maintenance staff at UH Hilo	5.00	228,576	5.00	228,576	A
UOH210	UH Hilo Security - additional security staff positions	8.00	311,240	8.00	311,240	A
UOH210	Wayfinding Education Program - 'Imiloa Astronomy Center	2.00	375,000	2.00	300,000	A
UOH800	Hawai'i Nutrition and Employment Training (HINET) for SNAP recipients at the Community Colleges	8.00	520,000	8.00	520,000	A
UOH700	Build Distance Education Infrastructure and fund additional faculty	8.00	1,000,000	8.00	1,000,000	A
UOH110	Increase Ceiling for RTRF and Real Property and Facilities Use Revolving Fund (RPFURF) for JABSOM	-	1,021,453		1,021,453	W
UOH800	Increase Ceiling for the CC's for RTRF and the Commercial Enterprises Revolving Fund (CERF)		1,000,000		1,000,000	W
UOH700	Decrease Ceiling for Lease Payments (BK)		(270,000)		(270,000)	B

Additionally, HB2 does not provide for transfers between different Program IDs at UH. These transfers have no net effect on the overall budget but are useful as a practical matter during budget execution:

Prog ID	Description	FTE (P) 20	\$\$\$ 20	FTE (P) 21	\$\$\$ 21	MOF
UOH100	Transfer Ant Lab from Hilo to Mānoa.	2.00	200,000	2.00	200,000	A
UOH210	Transfer Ant Lab to Mānoa	(2.00)	(200,000)	(2.00)	(200,000)	A
UOH900	Transfer Nā Pua No'eau to Various Campuses	(6.00)	(322,242)	(6.00)	(322,242)	A
UOH100	Transfer Nā Pua No'eau from System to Mānoa	1.00	82,491	1.00	82,491	A
UOH210	Transfer Nā Pua No'eau from System to UH Hilo	2.00	87,631	2.00	87,631	A
UOH700	Transfer Nā Pua No'eau from System to UH West O'ahu	1.00	44,724	1.00	44,724	A
UOH800	Transfer Nā Pua No'eau from System to the Community Colleges	2.00	107,396	2.00	107,396	A
UOH800	Transfer Hawai'i Promise from the CC to System.	-	(2,529,000)	-	(2,529,000)	A
UOH900	Transfer Hawai'i Promise from CCs	-	2,529,000	-	2,529,000	A

The University appreciates the support of the House to fund those items provided for in HB2 and is hopeful that the spirit of collaboration will continue into the process to deliberate those items not included in this HB2 "base."