



UNIVERSITY OF HAWAI‘I SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
March 22, 2022 at 9:30 a.m.

by
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HB 1600 HD1 – RELATING TO THE STATE BUDGET

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the committee:

Thank you for the opportunity to present testimony today. The University of Hawai‘i (UH) **supports** HB 1600 HD1, Relating to the State Budget. This bill appropriates funds for the Executive branch’s operating and capital improvement budget for the fiscal year 2022-2023 (FY23).

The following table lists the requests for additional General Funds in the Board of Regents (BOR) approved submittal, the Governor’s budget submittal for FY23, and the House Draft of the budget.

Description	Board FY23	Gov FY23	House FY23
General Fund Restoration – UH Mānoa	\$ 30,000,000	\$ 30,000,000	\$ 30,000,000
General Fund Restoration - JABSOM	\$ 1,200,000	\$ 1,200,000	\$ 1,200,000
General Fund Restoration – UH Hilo	\$ 2,280,000	\$ 2,280,000	\$ 2,280,000
General Fund Restoration – UH West O‘ahu	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000
General Fund Restoration - Community Colleges	\$ 4,600,000	\$ 4,600,000	\$ 4,600,000
General Fund Restoration - System Support	\$ 3,391,232	\$ 3,391,232	\$ 3,391,232
Athletics – UH Mānoa	\$ 3,600,000	\$ 3,600,000	\$ 12,400,000
Athletics – UH Hilo	\$ 400,000	\$ 400,000	\$ 1,400,000
PISCES	\$ 550,000	\$ 550,000	\$ 550,000
Creative Media at UH West O‘ahu	\$ 282,000	\$ 282,000	\$ 282,000
Nursing Clinical Instructors @ UH Mānoa		\$ 381,767	\$ 381,767
Nursing Clinical Instructors @ UH Hilo		\$ 532,150	\$ 532,150
Nursing Clinical Instructors @ CCs		\$ 842,572	\$ 842,572
Residency Program Expansion		\$ 2,040,000	\$ 1,880,000
Teacher Workforce Education		\$ 557,097	\$ 557,097
IT and Cybersecurity Workforce		\$ 1,575,000	\$ 1,575,000
Creative Media at UH Mānoa		\$ 380,000	\$ 580,000
Aviation Program at UH Hilo		\$ 190,000	\$ 190,000
Repairs, Maintenance, and Equipment		\$ 21,700,000	\$ 38,100,000

Description	Board FY23	Gov FY23	House FY23
Immersion School Teaching Pathway at 'Imiloa			\$ 2,889,496
Maui Food Innovation			\$ 146,000
Culinary Institute of the Pacific - Kapi'olani CC			\$ 339,840
Hawai'i Promise Expansion to UH Mānoa			\$ 12,506,283
Hawai'i Promise Expansion to UH Hilo			\$ 1,773,450
Hawai'i Promise Expansion to UH West O'ahu			\$ 5,080,639
Hawai'i Promise - Additional Funds to CCs			\$ 4,800,000
Total	\$ 47,383,232	\$ 75,581,818	\$ 129,357,526

UH BOR Requests

The UH FY22 general fund appropriation was significantly reduced due to the pandemic's negative impact on the economy. The first six items in the table seek restoration of those \$42.5 million in general funds to UH. The Governor and House support this request from the BOR.

Similarly, the Legislature eliminated general fund support to the Athletics programs at Mānoa and Hilo that dates back to FY18. UH is requesting the restoration of these appropriations of \$3.6 million to Mānoa Athletics and \$400,000 to Hilo Athletics. The Governor supports this request from the BOR and we appreciate and support the substantial House increases to our request given the strength of the revenue forecasts. These increases will help us support the physical and mental health and well-being of our student athletes in a Title IX-compliant manner and increase the competitiveness of our programs.

Act 1, Special Session of Hawai'i (SSLH) 2021, transferred the Pacific International Space Center for Exploration Systems (PISCES) from the Department of Business, Economic Development and Tourism (DBEDT) to UH-Hilo. Although funding for PISCES was reduced from DBEDT, the corresponding funding was not transferred to UH-Hilo for the continued operations. UH is therefore requesting \$550,000 in general funds, which equals the appropriation eliminated in DBEDT. The Governor and House support this request from the BOR. In addition, UH also requests \$500,000 in special fund ceiling for the PISCES Special Fund, which is not listed in the table above because it is a non-general fund request.

Five positions and \$282,000 are requested to help staff the new Creative Media facility at UH-West O'ahu, which will be available to students of all UH campuses, and increase instructional capacity for one of our fastest-growing programs. These new positions will provide highly technically skilled expertise in digital creative media for students and faculty. The Governor and House support this request from the BOR.

The final BOR-approved request is a change in Means of Financing from the Community Colleges Special Fund (CCSF) to the Community Colleges Revolving Fund (CCRF) due to the reclassification of the CCSF to the CCRF in Act 9, SSLH 2021. Please note this request is also not listed on the table above because this is a non-general fund request.

Governor's Additions

In addition to the BOR-approved requests, several additional items were included in the Governor's budget submittal of December 2021. These additions were enabled by the improvements to the economy and revenue projections following the preparation of the BOR request and were developed in collaboration with UH.

Current faculty shortages are inhibiting UH's capacity to educate future nurses. Therefore, \$1,756,489 is requested for clinical instructors (expert clinical nurses who can provide "hands on" experience and knowledge) for UH's nursing education programs across the state.

In an effort to address the physician shortage on the neighbor islands, approximately \$2 million is requested to expand the Graduate Medical Education (GME) residency program across the state. The experience of the John A. Burns School of Medicine (JABSOM) is that of those physicians who do their medical school and residency in Hawai'i, 80% remain in Hawai'i to practice. However, these experiences are currently O'ahu-centric. Expansion to the neighbor islands should create a new pipeline of physicians who want to initiate a neighbor island practice. The House reduced this amount by \$160,000 across the four Associated Program Coordinators (APC) by \$40,000 each. This reduction will effectively reduce the number of APC positions that can be hired, negatively impacting the ability to support the ten new residents and six new faculty for this rural residency track. We therefore respectfully request that full funding for this request be included in the budget.

To help address Hawai'i's teacher shortage, UH is requesting \$557,097 in additional funding to hire additional lecturers for elementary and secondary education instruction. There is also funding for additional specialists and support staff associated with this request.

To meet the workforce needs of Hawai'i's future, we must expand and focus our educational capacity in the areas of computer science and engineering. \$1.575 million is requested for additional faculty in specialty areas of computer science and cybersecurity at Mānoa and Hilo including the creation of a new statewide internship program to provide work-based learning experience for students.

Creative media is also one of the fastest-growing majors at Mānoa and the Governor's request of \$380,000 will enable the upgrade of computer workstations for students in the technical tracks and courses including animation. The House addition of \$200,000

will additionally enable support soundproofing of production facilities for Creative Media students.

In order to provide local students with the opportunity to prepare for careers as pilots, \$190,000 is requested for the Hilo aviation program to hire one Associate Professor and one Instructor.

Finally, \$21.7 million for repairs, maintenance, and equipment is included in the Governor's budget. The House increased this amount to \$38.1 million to accommodate additional projects. Some of the planned projects include demolition of the PBS Building, roofing repairs across various buildings, mechanical and/or electrical improvements, repairs to the parking structure, and additional improvements to the Clarence T.C. Ching Athletics Complex including increasing seat capacity.

House Additions

Fourteen positions and \$2.9 million were added to UH Hilo's budget to support an Immersion School Teaching Pathway and early education. This is directly responsive to the shortages of immersion school teachers and the need for attention to early childhood education in Hawaiian that will only grow as Hawai'i begins to grapple with our early education crisis. We are grateful for the Legislature's continued support of the UH's role in revitalizing, advancing, and normalizing of the Hawaiian language as an official language of the State of Hawai'i.

Three position counts for the Maui Food Innovation Center are included to replace those eliminated during the 2020 Legislative Session, along with the addition of \$146,000. This funding also provides for utilities, classroom/lab equipment, and maintenance support. The Maui Food Innovation Center will operate as a business incubator offering business support services and an FDA-inspected food production facility for the Maui community.

In support of the operations and maintenance of the Culinary Institute of the Pacific at Kapi'olani Community College, seven positions and \$339,840 were added for grounds maintenance staff, security officers, custodians, and an appliance mechanic. These positions will allow for proper care, maintenance, and security of the facility.

The Hawai'i Promise Program currently operates solely at the seven UH Community Colleges. Hawai'i Promise provides the "last dollar" to cover direct educational costs (e.g., tuition, fees, books, etc.) that have not been met by other forms of financial aid such as scholarships and/or federal grants. \$19.4 million was added to expand the Hawai'i Promise Program to the three UH universities. UH has requested this funding multiple times in the past years. It is anticipated that the expansion of this program will help nearly 5,000 students with the cost of postsecondary education. Additionally, \$4.8 million was added to the Community Colleges to expand its ongoing program. These additional funds will allow the program to reach approximately 3,000 additional students.

Capital Improvement Projects

The following table lists the requests for additional General Obligation Bond financed projects in the Capital Improvement Projects (CIP) portion of the budget:

Description	Board FY23	Gov FY23	House FY23
Hamilton Library	\$ 6,000,000		
Central Admin Facility w/ Parking	\$ 4,000,000		
Leeward CC Fascias	\$ 6,500,000	\$ 6,500,000	\$ 6,500,000
Waikīkī Aquarium Discharge System Upgrade	\$ 11,500,000	\$ 11,500,000	\$ 11,500,000
RIM - Systemwide	\$ 33,500,000	\$ 32,000,000	
RIM - UHWO	\$ 2,500,000	\$ 2,500,000	
Capital Renewal & Deferred Maintenance - CCs	\$ 25,000,000	\$ 24,000,000	\$ 25,000,000
UHWO Campus Expansion & University Village		\$ 10,000,000	\$ 10,000,000
Hawai'i CC - Redevelopment of Manono Campus			\$ 2,000,000
Total	\$ 89,000,000	\$ 86,500,000	\$ 55,000,000

The UH respectfully requests funding for the following Board of Regents-approved projects, not included in the Governor's request or the House Draft of the budget:

- \$6 million in funding for Hamilton Library was requested for a feasibility study, planning, and design for renovations to convert conventional library space for books and materials into space to support people including for offices, studying and collaboration. Hamilton Library is air-conditioned 24x7 and as we increasingly digitize library materials we recognize that space can be used more effectively to support post-pandemic university needs and modes of operation.
- \$4 million was requested for design and planning for a new parking facility immediately adjacent to the Campus Services building at the intersection of East-West Road and Maile Way. The multi-level parking structure is being planned in conjunction with the Hawai'i State Department of Transportation to increase the UH's parking inventory such that morning rush hour traffic into town is reduced. The facility will have over 400 parking stalls on the current surface parking lot site and is part of our UH plan to eliminate cars from the central campus core and remove all portable/temporary structures that have been implemented over decades.
- \$33.5 million in additional funding for Renew, Improve, and Modernize (RIM) projects and campus renewal and deferred maintenance is requested for various campuses across the UH system and \$2.5 million in RIM funding for UH West O'ahu. These RIM funds are used to transform and modernize classrooms, laboratories, and offices into quality learning, teaching, and working areas consistent with 21st-century facilities' needs.

The UH is appreciative of the Legislature's support for the following projects, which align with the UH's CIP and repair and maintenance program:

- \$11.5 million for the Waikīkī Aquarium for various repairs and a new wastewater system to meet regulatory requirements.
- \$6.5 million for the design and construction of new building fascias on the Leeward CC campus to enhance the appearance of the campus.
- \$25 million for capital renewal and deferred maintenance projects for the Community Colleges.

The following projects are consistent with university plans but were not included in the BOR Budget request:

- \$10 million was added by the Governor for planning and design work to develop lands located at the West O'ahu campus, and the University Village lands adjacent to the campus and within Transit-Oriented Development (TOD) areas. This project aims to bring a privately built and operated film/production student to campus to create economic growth and high-quality jobs as we develop workforce housing, mixed-use development, and services to create walkable communities around transit nodes.
- \$2 million added by the House for planning for planning the redevelopment of the Hawai'i CC Manono Campus.

The UH is the most critical institution for the future of our state, educating and training our residents for the jobs of today and tomorrow as our faculty address the challenges and opportunities facing Hawai'i and the world through our research and scholarship. This budget request represents a thoughtful and responsible request for funding from the State of Hawai'i to support and advance our service to Hawai'i's people across our islands.

Thank you for this opportunity to testify.