



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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House Committee on Finance  
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by  
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### HB 1600 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Yamashita, and members of the committee:

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

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

Description	Board FY23	Gov FY23
General Fund Restoration - Mānoa	\$ 30,000,000	\$ 30,000,000
General Fund Restoration - JABSOM	\$ 1,200,000	\$ 1,200,000
General Fund Restoration - Hilo	\$ 2,280,000	\$ 2,280,000
General Fund Restoration - UHWO	\$ 1,080,000	\$ 1,080,000
General Fund Restoration - Community Colleges	\$ 4,600,000	\$ 4,600,000
General Fund Restoration - System Support	\$ 3,391,232	\$ 3,391,232
Athletics - Mānoa	\$ 3,600,000	\$ 3,600,000
Athletics - Hilo	\$ 400,000	\$ 400,000
PISCES - Hilo	\$ 550,000	\$ 550,000
Creative Media - UHWO	\$ 282,000	\$ 282,000
Nursing Clinical Instructors - Mānoa, Hilo, CCs		\$ 1,756,489
Residency Program Expansion - JABSOM		\$ 2,040,000
Teacher Workforce Education - Mānoa		\$ 557,097
IT and Cybersecurity Workforce - System Support		\$ 1,575,000
Creative Media - Mānoa		\$ 380,000
Aviation Program - Hilo		\$ 190,000
Repairs, Maintenance, and Equipment - - System Support		\$ 21,700,000
<b>Total</b>	<b>\$ 47,383,232</b>	<b>\$ 75,581,818</b>

The UH was impacted with significantly reduced general funds in FY22 – partly, as a result of the negative impact to the economy from the pandemic. The Legislature reduced UH’s operating budget by a total of \$42.5 million. The first six items in the table seek restoration of those general funds to UH.

Similarly, the Legislature also eliminated general fund support to the Athletics programs at Mānoa and Hilo. UH is requesting the restoration of the \$3.6 million subsidy to Mānoa and the \$400,000 subsidy to Hilo. These funds were provided to the UH going back to FY18.

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. Related to this is a request for \$500,000 in special fund ceiling for the PISCES Special Fund. Please note, it is not listed on 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. These new positions will provide highly technically skilled expertise in digital creative media for students and faculty.

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), as a result of the reclassification of the CCSF to the CCRF in Act 9, SSLH 2021. Please note, this is also not listed on the table above because this is a non-general fund request.

### Governor’s Additions

In addition to the Board-approved requests, there are a number of additional items that were included in the Governor’s budget submittal from December 2021.

Current faculty shortages are inhibiting UH’s capacity to educate future nurses so \$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 \$2.0 million is requested to expand the Graduate Medical Education (GME) residency program across the state. It is the experience of the John A. Burns School of Medicine (JABSOM) 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.

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 in 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 being requested for additional faculty in specialty areas of computer science and engineering as well as for the creation of a new internship program.

Creative media programs exist across all ten UH campuses and \$380,000 is requested for Mānoa for soundproofing improvements at the Ernst Lab Theater and for computer stations to handle virtual production.

In order to provide local students with the opportunity to prepare for careers as pilots, additional funding 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. 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.

### *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
Hamilton Library (Mānoa)	\$ 6,000,000	\$ -
Central Admin Facility w/ Parking (Mānoa)	\$ 4,000,000	\$ -
Fascias (Leeward CC)	\$ 6,500,000	\$ 6,500,000
Discharge System Upgrade (Waikīkī Aquarium)	\$ 11,500,000	\$ 11,500,000
Renew, Improve, and Modernize (RIM) (Systemwide)	\$ 33,500,000	\$ 32,000,000
Renew, Improve, and Modernize (RIM) (West O‘ahu)	\$ 2,500,000	\$ 2,500,000
Capital Renewal & Deferred Maintenance (Community Colleges)	\$ 25,000,000	\$ 24,000,000
UHWO Campus Expansion & University Village (via System)	\$ -	\$ 10,000,000
<b>Total</b>	<b>\$ 89,000,000</b>	<b>\$ 86,500,000</b>

The request for \$6 million in funding for Hamilton Library was for a feasibility study, planning, and design for renovations to transform the library to convert library space for books and materials into space for students to study and collaborate. This was not included in the Governor's request.

The request for \$4 million 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. This also was not included in the Governor's request.

The request for \$11.5 million for the Waikīkī Aquarium is for various repairs as well as a new wastewater system to meet regulatory standards.

Additional funding for Renew, Improve, and Modernize (RIM) projects as well as campus renewal and deferred maintenance is requested for various campuses across the UH system. These RIM funds are used to transform and modernize classrooms, laboratories, and offices into quality learning, teaching, and working areas consistent with the needs of the 21<sup>st</sup> century.

The Governor added \$10 million to the BOR request for planning and design work to develop lands located at the West O'ahu campus and the University Village lands that are adjacent to the campus and within Transit-Oriented Development (TOD) areas. The aim of this project is to increase housing, mixed-use development, economic and higher educational opportunities, and services in walkable communities around transit nodes.

The UH is the foremost state organization leading the education and development of our State's workforce and is the singular higher-educational resource for our residents and community. This budget request represents a very diligent, responsible, and rational ask for funding support to continue the UH's critical services to Hawai'i.

Thank you for this opportunity to testify.