



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
March 29, 2019 at 2:00 p.m.

By
Jan Gouveia, Vice President for Administration
University of Hawai'i System

SB 859 SD1 – RELATING TO CAPITAL IMPROVEMENT PROJECTS

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

The University of Hawai'i ("University") is grateful for the opportunity to support SB 859 SD1, which presents a Capital Improvement Projects (CIP) proposal of \$140,321,000 in FY20 and \$94,500,000 in FY21 in general obligation bond funds for each year of the FY 2019–2021 biennium. The University respectfully requests, however, additional funds that support the CIP budget adopted by the Board of Regents for the University of Hawai'i ("Board") for a total of \$295 million and \$319.5 million for FY 2019–2020 and FY 2020–2021, respectively.

The Board approved CIP budget represents a comprehensive and strategic approach to its capital program framed primarily by the 2017 Integrated Academic and Facilities Plan for the University of Hawai'i System, which commits the University to maximizing the use of existing space through shared classrooms and flexible furniture that support diverse programs and interdisciplinary learning. Additionally, in 2018, the Board adopted a Resolution Supporting Moratorium on Square Footage Growth, which places a moratorium on "all new construction that results in an increase in the total campus building square footage without an equivalent reduction in square footage on any campus with an overall deferred maintenance backlog greater than 10% of the replacement value of its facilities" (except for P3 opportunities and 5 specific projects).

Based on these principles, the University adopted a 6-year CIP Plan that concentrates on modernizing existing facilities and increasing the quality of the learning, research and work environment. The process for developing the plan was driven by the Office of the Vice President for Administration and involved input from facilities teams, academic leaders, instructional and research faculty, surveys, enrollment data, course registration data, and Sightlines data. Goals and deliverables were determined through reviewing best practices and strategies for capital investment and facilities management; examining research and modern practices in teaching, learning and research; coordinating facilities planning with academic programs; and evaluating current space utilization and conditions of facilities.

In total, the University manages over 13.5 million gross square feet of facilities – ranging from complex biosafety laboratories to NCAA athletic stadiums and facilities. The University has been monitoring its deferred maintenance backlog for over 10 years and has seen a steady growth in the balance due primarily to inadequate and unpredictable funding. Currently, the University has over \$800 million in its deferred maintenance backlog, and a minimum of \$90 million a year is needed just to prevent it from further increasing.

As the only public institution of higher education in the State, the University strives to be a premier provider of knowledge and inspiration by offering dynamic and engaged learning experiences. Unfortunately, it has reached a point where the current condition of our facilities is impeding our

mission. SB 859 SD1 funds approximately 40% of the Board approved FY 2019–2021 CIP biennium budget for the University. However, full funding of the Board approved FY 2019–2021 CIP budget is needed to provide quality learning and research environments.

A summary of the Board approved FY 2019–2021 CIP budget is provided below:

Program ID	Project Description	MOF	FY20	FY21
UOH100	RIM Projects	C	\$135.5M	\$110.5M
UOH100	Sinclair Library Renovation	C	\$41M	
UOH100	Snyder Hall	C		\$55M
UOH100	Holmes Hall	C	\$2M	\$35M
UOH100	Kuykendall Hall	C	\$2M	
UOH100	Keller Hall/Physical Science	C	\$1M	
UOH210	RIM Projects	C	\$21M	\$20.5M
UOH210	Pharmacy Laboratory Improvements	C	\$3M	
UOH700	RIM Projects	C	\$0.5M	\$2M
UOH700	General Education Building I	C	\$1M	
UOH700	Development & Infrastructure	C	\$7M	\$8M
UOH700	Planning Projects	C	\$0.5M	\$0.5M
UOH800	Capital Renewal & Deferred Maintenance	C	\$25M	\$25M
UOH800	Minor Capital Improvement Projects	C	\$10M	\$10M
UOH800	Hawai'i CC – Campus Development Phase I	C	\$2M	\$50M
UOH800	Honolulu CC Science Building	C	\$43.5M	
UOH800	Windward CC Agripharmatech Bioprocessing Facility	C		\$3M
	TOTAL		\$295M	\$319.5M

Thank you for the opportunity to support SB 859 SD1 and respectfully request full funding of the Board approved FY 2019–2021 CIP budget for the University.