



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committees on Education and
Higher Education

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by

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SB 1474 – RELATING TO TAXATION

Chairs Kidani and Kim and members of the Committees:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) **supports Section 2** of SB 1474, Relating to Taxation, to the extent that the bill provides additional funding to the University of Hawai'i. The bill additionally seeks to increase the General Excise Tax (GET) by 0.5% as the means to provide this dedicated funding source for the Department of Education and the UH.

Section 2 of the bill would provide at least \$50,000,000 in additional general fund resources annually to UH. To put this in perspective, our current (2019) Board of Regents approved budget request is roughly \$26 million per year in additional general fund appropriations. UH supports this initiative for additional funding resources to improve the social, economic, and environmental well-being of current and future generations through higher education. Additional public funding would help alleviate pressures on tuition revenue and could provide for increased services offered by the State and the University.

Unfortunately, increasing the overall tax burden to residents, visitors, and other taxpayers through the general excise tax is difficult to support. The GET is such a permeated tax that every individual, family, and business, would be impacted to some degree. The University's position on this bill recognizes the difficult balance to adequately fund government services – like education – with the unfortunate burden of requiring tax revenues to do so. As such, we acknowledge the difficult policy decision regarding increasing the GET by 0.5% and recognize the role of the Legislature as the policy-making body of the State.

Thank you for this opportunity to testify and for putting forth for discussion the value-added exchange of utilizing (increasing) general tax revenues to support education statewide.