UNIVERSITY OF HAWAIʻI SYSTEM
ʻŌNAEHANA KULANUI O HAWAIʻI

Legislative Testimony
Hōʻike Manaʻo I Mua O Ka ʻAhaʻōlelo

Testimony Presented Before the
Senate Committee on Education
February 9, 2026 at 1:05 p.m.
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SB 2658 – RELATING TO THE UNIVERSITY OF HAWAII.

Chair Kim, Vice Chair Kidani, and Members of the Committee:

Thank you for the opportunity to provide testimony on SB 2658, which proposes to prohibit the University of Hawai'i Board of Regents from using funds allocated for "renew, improve, and modernize" (RIM) projects on current or anticipated capital improvement projects (CIP)." This effectively neutralizes the ability of the University to flexibly address projects that will renew, improve and modernize its facilities while also addressing deferred maintenance needs in a strategic and cost-effective manner. For this reason, the University respectfully opposes SB 2658.

RIM projects are intended to primarily address capital renewal or deferred maintenance projects that are anticipated. RIM appropriations in the budget is funding that developed as a matter of course, in recognition by the Legislature that the University could not get sufficient annual funding to address scheduled and anticipated maintenance. Absent funding for known and anticipated projects, subsequently means that projects will grow as deferred maintenance. The RIM approach provides for efficient prioritization of projects to the extent afforded, but with an eye that modernizing facilities should also address deferred maintenance needs as well. To that end, prohibiting the use of funds for current or anticipated capital improvement projects is overly prescriptive and risks undermining the University's ability to address critical infrastructure needs via cost-effective solutions that maximize the impact of state appropriated funds.

RIM projects are a holistic approach to addressing all of the capital improvement needs of a facility (both current and anticipated needs). For example, modernizing an existing facility may require simultaneous capital improvements to meet current safety codes, mitigate the impact to occupants temporarily relocated during the course of construction and/or modernize facilities to accommodate updated educational needs. Segregating these funding streams will lead to inefficiencies, increased project costs, delay in improvements, and an overall adverse impact on the University community.

Furthermore, limiting the Board of Regents' discretion to allocate RIM funds in a manner that supports continued alignment with organizational objectives will hinder the University's ability to swiftly respond to decisions made at a local, state and national level

that have implications on University projects. The Board is uniquely positioned to assess and prioritize the University's needs and should retain the flexibility to allocate funds as necessary.

The proposed amendments will likely exacerbate the very issues they seek to address. For example, facilities that require modernization may fail to adequately meet the needs of the University community if broader capital improvement projects cannot be funded in tandem. Separating the scope of work into two discrete projects—one that addresses deferred maintenance and a separate project that modernizes/improves the space—will increase costs and delay improvements necessary to expand 21st century facilities that support modern teaching pedagogies and empower students to reach their full potential.

The University of Hawai'i remains committed to being a good steward of public resources and maximizing the impact of investments made by the State. It also is committed to using RIM funds for the purpose of supporting capital projects that renew, improve, and modernize its facilities. To make good on this commitment, the University requires the flexibility to allocate resources in a manner that best serves the needs of its students, faculty, staff, researchers and the broader community. For the reasons noted herein, we respectfully oppose the bill in its current form.