UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

H.B. 891, HD 1 RELATING TO THE UNIVERSITY OF HAWAI'I

Testimony Presented Before the
House Higher Education Committee

February 17, 2004

By

David McClain
Vice President for Academic Affairs

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Chair Takai, Vice Chair Tamayo, members of the House Committee on Higher Education. Thank you for the opportunity to testify on House Bill 891, which finds that the University of Hawaii's John A. Burns School of Medicine and the Health Sciences Library need to be freestanding campuses, which establishes a "Medical School Research and Training Revolving Fund," and which, for fiscal 2004-2005, directs the University's current Research and Training Revolving Fund to finance the Medical School Research and Training Revolving Fund in the amount of $3,524,000, an amount exactly equivalent to the request for general funds for JABSOM in the University's supplemental budget request.

The University is opposed to this bill.

The University's Board of Regents established in October 2003 a subcommittee to provide oversight of the University's activities in the Kakaako area, to which I serve as a liaison from the Administration. One of the Kakaako subcommittee's intended areas of focus is the question of governance, and whether the units residing in Kakaako should comprise a separate campus.

Thus this bill preempts the Board of Regents' authority to make a decision in this matter, and makes a determination prior to the conclusion of the deliberations of the Board of Regents' subcommittee, and prior to any decision by the full Board of Regents itself.

In years past, the Legislature did earmark portions of the RTRF for a housing fund and for the discoveries and inventions fund. However, around the time of the passage in November 2000 of the constitutional amendment on the University's autonomy, these earmarks were removed from State law. Creation of a separate Medical School RTRF is effectively an earmark, since this fund is financed with 100% of the overhead generated by the Medical School and the Health Sciences Library.

Thus this bill represents a retreat from the path of greater autonomy for the University which the voters of the State chose in 2000.

The University may well choose to allocate 100% of RTRF earned by JABSOM and the Health Sciences Library to help finance their ongoing operations, but we would argue this is a policy decision to be made in the future by the University, not a decision to be made by the Legislature. There is precedence for such action, as we already return 100% of the overhead generated by UH Hilo's research operations to that campus. We do this as a matter of policy to support the evolution of that campus toward one able to support a select number of graduate level programs.

We're grateful for the Committee's and the Legislature's interest in JABSOM and the Health Sciences Library, and would ask that your interest be reflected in your support for the University's supplemental budget request, which the Regents have approved and which has been supported by the Governor, and which contains $3,524,000 in general funds for the operation of the Health Sciences Library and for startup operating funds for JABSOM.

Thank you for the opportunity to testify on this matter. I would welcome the opportunity to answer any questions that you may have.