



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

H.B. 3196 – RELATING TO THE UNIVERSITY OF HAWAII

Testimony Presented Before the
HOUSE COMMITTEE ON HIGHER EDUCATION

February 2, 2006

By
James R. Gaines
Interim Vice President for Research
University of Hawai'i

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Chair Waters, Vice-Chair Shimabukuro, and Committee Members:

I would like to submit this testimony in strong support of HB3196 to create a state eminent scholars special fund as an incentive for endowing more faculty chairs at the University of Hawaii. This fund would be used to match private donations to UH to establish new endowed faculty positions.

A university's greatest asset is its people. The men and women who teach, provide service to the community, and conduct research are the single most important component to the success of UH or any other academic institution. Those faculty members who provide leadership as deans, directors, or heads of research and academic groups are particularly important since their influence can propel a university to the top in a specific field, while also raising the overall stature of the entire university. Top echelon scientists and educators are in high demand and command very competitive salaries, and can usually be hired at public institutions only through endowed positions.

UH has relatively few endowed positions compared to many other public universities. Moreover, only a handful of UH's endowed positions are in the sciences and engineering, the very fields that the State is looking towards to diversify our economy. A state eminent scholars fund would be a powerful incentive for private donors to help create new endowed faculty positions. This would help UH attract the best and brightest minds, who would not otherwise be recruitable. These outstanding faculty would have tremendous impacts on their peer faculty at UH, students, and the community. New endowed positions can also generate substantial new research funding to stimulate technology transfer, diversify the economy, and create new jobs and tax revenues.

Roughly half of the states in the nation have created matching grant programs to encourage private giving to their public colleges and universities. A national study recently determined that these types of matching grants work very well, leveraging about \$2.25 of private giving for every \$1 of public matching grants.

This type of leveraged state investment pays handsome dividends for many years. For example, about 80% of research funding is used to pay the salaries of scientists, technicians, and support staff, most of who are not state employees. The additional

research funding that endowed faculty can generate will increase job opportunities for highly skilled people in medicine, biotechnology, engineering, and other fields. This will help create the critical mass needed to sustain such growth industries for our economy, while also increasing the state's tax base. Each \$1 of research funding generates an estimated 10 cents of state tax revenues.

A state eminent scholars special fund would help enhance the University for many years to come. Students could learn from and be inspired by more world-class educators and scientists, who could have dramatic influence on their future careers. UH's research funding, which has grown substantially over the past five years, would become an even greater contributor to economic development and diversification. Coming at a time of relative plenty in the state budget, this would be a wise investment for Hawaii's future.

Thank you for the opportunity to testify on this bill.