



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Comments Provided to the
Senate Committee on Ways and Means
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by

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HB39 HD2 Proposed SD1 – RELATING TO STATE REVENUES

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

Thank you for the opportunity to provide comments on this measure.

The University of Hawaii strongly opposes this bill.

The Research and Training Overhead funds are used to support the research mission of the university. The funds are to be used for purposes that may result in additional research and training grants and contracts, and for facilitating research and training at the University. Funds are used (1) to recruit and support top faculty members; (2) for administrative support (i.e. fiscal, HR, compliance, etc.) for extramural contracts and grants; (3) to repair, replace, maintain, upgrade scientific equipment and facilities for continued research; (4) for mandatory matching for extramural contracts and grants; (5) for research projects; (6) for funding of graduate students; and (7) for working capital.

Additionally, an estimated \$1,500,000 is needed for the next 15 years for revenue bond payments for the Biomedical Sciences Building addition. The addition is needed to increase research space at the University which will increase research dollars. Funds have also been committed to several initiatives to expand the research programs at the University. These include committing start up funding or to supplement cost matching for new research programs such as the Applied Research Lab and Center of Excellence as well as to build a Regional Bio-containment Laboratory facility. Such investments are needed to aid the future growth of the research enterprise. A sweep would seriously jeopardize commitments made to sponsors to share in the costs of these new ventures. In addition, funds are required to pay the RCUH management fee of \$2 million for the rest of the year and any unforeseen expenses of ORS, which are both essential to management of the research enterprise.

If balances are swept, (1) it will significantly reduce the University's ability to recruit and retain new and competitive faculty; (2) we will be unable to meet ongoing obligations to fund start-up or required matching for grants for faculty, especially those hired in the last 3-5 years; (3) federal research dollars flowing to UH will decrease; (4) we will not be able to continue to maintain and operate scientific equipment and facilities; (5) working capital requirements for utilities, repairs, etc. cannot be met; and (6) we will be vulnerable to legal action from our inability to meet prior commitments/obligations.

Thank you for the opportunity to provide comments with regards to this measure.