



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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### Testimony Presented Before the House Committee on Finance

February 26, 2009 at 12:00 pm

By  
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And  
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### HB 1731 RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND

Chair Oshiro, Vice Chair Lee and Members of the Committee:

Thank you for this opportunity to testify on House Bill 1731 relating to the Hawai'i Tobacco Settlement Special Fund.

The John A. Burns School of Medicine must respectfully testify against this proposed significant reduction (from 28% to 22%) in what has become a vital source of monies to meet our mission. As you know, our mission includes educating physicians for Hawai'i, attracting grants and other outside sources of funding to conduct research, training medical technicians, producing speech-communication specialists to serve in our state, educating public health workers and providing hyperbaric (recompression) services for the state of Hawai'i.

Like other state agencies, we are anticipating that our general fund allocations will be reduced by at least 20% in fiscal biennium 2010-2011. Our total operating expenditures for FY 2008-09 are projected to be \$94.5 million. We are facing an operating deficit of more than \$2 million for this period even if we receive the tobacco settlement proceeds at current levels.

With the decrease in tobacco settlement funds proposed under HB 1731, even with planned reductions in expenditures, John A. Burns School of Medicine (JABSOM) deficits are projected to be \$5 million in 2010 and \$7 million in 2011. This would threaten operations at the school.

We respectfully request that JABSOM continue receiving its current share of tobacco settlement funds. We believe the School of Medicine uses those monies in the proper spirit of the tobacco agreement, and we find our responsibilities and current financial situation require the use of those monies.

Thank you for the opportunity to testify.