Testimony Presented Before the
House Committee on Finance

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HB 1732 RELATING TO STATE FINANCES

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

Thank you for the opportunity to testify on HB 1732, which proposes to transfer certain earmarked amounts from the Cancer Special Fund to the State General Fund. We oppose this measure because House Bill 1732 will significantly reduce the anticipated fund revenues by 25% and will negatively impact the efforts of the University to proceed with development activities related to the Cancer Research Center of Hawai‘i.

The Cancer Center is at a critical juncture of its existence and is undertaking a number of activities to ensure that it can continue as one of only 63 National Cancer Institute (NCI) designated Cancer Centers and to proceed with its goal to gain Comprehensive Cancer Center designation. These activities include:

• Recruitment of additional funded investigators to increase its grant funding base and fulfill programmatic requirements for NCI designation.
• Partnering with the community of health care providers in the State of Hawai‘i to develop a matrix system of cancer care delivery that will rely on the Cancer Center’s strengths in research and utilize the existing clinical facilities in the community.
• Construction of a new, state-of-the-art research facility that will properly support its current faculty and provide additional space to attract the quality of researchers required for the growth of the Center.
In just the past several months, the Cancer Center has succeeded in bringing together the major hospitals to support the matrix model of cancer care delivery and pledge their cooperation in moving forward. In conjunction with that agreement an international conference of translational cancer research was hosted by the Cancer Center, John A. Burns School of Medicine, Queen’s Medical Center, Hawai‘i Pacific Health and Kuakini Health System that attracted leaders in the field of cancer biology along with 2008 Nobel Prize laureate, Dr. Harald zur Hausen. The event served to raise awareness of the quality of cancer research occurring in Hawai‘i and to demonstrate the commitment by all the partners to attract translational researchers to join the Cancer Center in its efforts.

The University of Hawai‘i at Mānoa administration and our Board of Regents have also recognized the renewed momentum in moving the Center forward by resolving to act quickly to secure a site and development agreement for construction of the new research facility. All of this activity is dependent on a consistent revenue stream that is currently provided by the tobacco tax special fund.

The proposed reduction of anticipated revenues under House Bill 1732 would negatively impact the efforts of the University to proceed with development activities as outlined. During the next three years we anticipate expenditures of approximately $52 million to pay for:

1. The leasing and operations of transitional facilities prior to the completion of a new center.
2. Start-up expenses and salaries for the new faculty we are attempting to attract.
3. Development costs for the new building prior to financing by the developer or bond issuance.

UH Mānoa and our Cancer Research Center would like to build on the recent and real momentum generated in fostering this valuable resource for the health care needs of the people of Hawai‘i and request access to the full allocation of the tobacco funds for that purpose. Thank you for the opportunity to express our views on this measure.