



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by

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HB 1734 – RELATING TO MANAGEMENT OF STATE FUNDS

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

HB 1734 repeals the University of Hawaii's exemption from the central services expenses assessment on special funds and increases the assessment to 6%.

For fiscal year 2008, receipts for University of Hawaii special funds totaled approximately \$318 million. The proposed 6% assessment on these receipts would have resulted in a \$19 million reduction in funds available to the University. The bulk of the special funds revenue can be attributed to the Tuition and Fees Special Fund and the University Revenue Undertakings Special Fund. The revenue for these funds directly impact the services provided to our students, including educational programs, student and faculty housing, the campus center and bookstore operations, and other critical functions. A reduction in funds available to support these operations would have an adverse impact on the quality of services available to our students and faculty.

In addition, the University provides much of its own administrative services internally, via its own Human Resources, Financial Management, Internal Audit and other offices. Assessing the University the same assessment rate as other state agencies that rely more heavily on state central services would place an undue burden on the University.

Accordingly, the University wishes to express its concerns regarding HB 1734.

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