



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
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by
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HB 1322 HD2 SD1 – RELATING TO CERTAIN FUNDS OF THE UNIVERSITY OF HAWAII

Chair Ige, Vice Chair Kidani and Members of the Committee:

The University strongly supports the passage of this measure and we appreciate your efforts and those of the Senate Committee on Education to incorporate the changes recommended in our previous testimony into the current draft bill.

The purpose of this bill is to reclassify or repeal certain special, revolving, and trust funds of the University of Hawai'i to provide greater flexibility and increased efficiency in the use and management of these funds. The University of Hawai'i System currently has over forty-five (45) special, revolving and trust funds. This bill proposes the repeal of seven special, revolving, or trust funds that are outdated and no longer in use and provides for the reclassification of six (6) revolving funds to special funds to better reflect their usage and purpose. The funds to be repealed are:

- Western Governors University Special Fund
- University of Hawai'i Housing Assistance Revolving Fund
- University of Hawai'i at Mānoa Conference Center Revolving Fund
- International Exchange Healthcare Tourism Revolving Fund
- Community Colleges and University of Hawai'i at Hilo Bookstore Revolving Fund
- The Senator Hiram L. Fong Scholarship Program Endowment Trust Fund
- The Senator Oren E. Long Scholarship Program Endowment Trust Fund

The funds identified for reclassification from revolving to special are:

- Child Care Programs Revolving Fund
- Discoveries and Inventions Revolving Fund
- University of Hawai'i Alumni Revolving Fund
- University of Hawai'i at Mānoa Intercollegiate Athletics Revolving Fund and
University of Hawai'i at Hilo Intercollegiate Athletics Revolving Fund
- Animal Research Farm, Waiale'e, O'ahu Revolving Fund

- University of Hawai'i at Hilo Theatre Revolving Fund

The repeal or reclassification of these funds is in accordance with the findings and recommendations of the Auditor of the State of Hawai'i (State Auditor) December 2009 report, *Review of Revolving Funds, Trust Funds, and Trust Accounts for the Departments of the Attorney General and Business, Economic Development & Tourism, and the University of Hawai'i*, and is consistent with our corrective action response to the Auditor.

Additionally, the University of Hawai'i at Mānoa Chancellor's office conducted an independent review of its non-general funds and identified its Conference Center Revolving Fund for repeal.

In our detailed review of the current draft, we did identify one technical correction that should be made. On page 2, line 13, the word "revolving" should be changed to "special" to properly describe the reclassification of the discoveries and inventions special fund.

These actions will allow the University of Hawai'i System to more efficiently and appropriately manage its funds.

Thank you for this opportunity to testify on this measure.