



# UNIVERSITY OF HAWAI'I SYSTEM

## Legislative Testimony

Testimony Presented Before the  
 House Committee on Finance  
 March 9, 2016 at 11:00 a.m., Room 308  
 by  
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### HB1700 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Nishimoto, and Members of the Committee on Finance:

Thank you for this opportunity to testify. The University of Hawai'i (UH) supports HB1700, Relating to the State Budget, with the amendments proposed in Governor's Message No. 11.

As the State's sole public higher education system, we remain strongly committed to create, preserve, and transfer knowledge in a multi-cultural environment for current and future generations. Because we have previously provided testimony regarding our budget request to this committee on January 12, 2016, this particular testimony shall be brief.

### Operating

Provided below is a table showing both the Board of Regent (BOR) approved request for Fiscal Year 2017 (FY17) and the amount requested by the Governor as reflected in HB1700. All Means of Financing (MOF) are general funds.

Description	BOR Request		Gov's Decision	
	FTE	\$\$\$	FTE	\$\$\$
Cancer Center		5,000,000		4,000,000
Hawai'i Research and Innovation Initiative	20.00	3,500,000	20.00	3,500,000
UH-West O'ahu Campus Evolution	12.00	728,020	12.00	728,020
Community Colleges Equipment Fund		1,250,000		1,250,000
CTAHR - Agricultural Extension Service	4.00	350,000	-	330,000
UH-Hilo Security	37.00	420,000	27.00	-
Athletics - UH-Mānoa		3,000,000		-
Athletics - UH-Hilo	3.00	560,000		-
Mānoa - ORC General Fund Restoration		306,168		-
Mānoa - EHSO General Fund Restoration		1,093,832		-
<b>Total</b>	<b>76.00</b>	<b>16,208,020</b>	<b>59.00</b>	<b>9,808,020</b>

- Cancer Center – The Cancer Center is Hawai'i's only National Cancer Institute (NCI) designated program. Additional general fund support is needed to help address funding needs of the Cancer Center.

- Hawai'i Research and Innovation Initiative – This is a three-pronged request to: develop the workforce in cybersecurity and sustainable water resources; establish a Center for Commercialization to help develop collaboration between academic research and industry; and establish a Strategic Grants Development Office.
- UH-West O'ahu (UHWO) Campus Evolution – Funding will provide for support services as UHWO continues to grow.
- Community Colleges Equipment Fund – Establishes an equipment fund to allow the Community Colleges to flexibly manage and prioritize expenditures for much needed equipment.
- College of Tropical Agriculture and Human Resource (CTAHR) – Agricultural Extension Service – Continues funding provided for in Act 105, Session Laws of Hawai'i 2015.
- UH-Hilo Security – Adds positions and funds to allow those security services currently being contracted to be provided by campus personnel.
- Athletics – UH-Mānoa and UH-Hilo – funds are requested for Athletics programs at these two campuses to help offset costs that are higher at UH than other comparable institutions.
- Mānoa – Office of Research Compliance (ORC) and Environmental Health and Safety Office (EHSO) General Fund Restoration – These two programs have sustained general fund reductions over the last several years. They are currently using revenues from other funds which is not sustainable.

We recognize that our State has many competing needs for general funds and are appreciative of any support that the Legislature can provide.

### **Capital Improvements Program (CIP)**

Provided below is a table showing the BOR approved request for FY17 and the amount requested by the Governor as reflected in HB1700. All MOF are General Obligation (BO) bonds:

<u>Project Title</u>	<u>BOR Request</u>	<u>Gov's Decision</u>
Lump Sum CIP for Higher Education, Statewide	131,342,000	-
CIP Staff Costs, Statewide	300,000	-
Mānoa - Snyder Hall Renovation	2,500,000	2,500,000
Mānoa - Dean Hall Renovation	2,000,000	-
West O'ahu - New Creative Media Facility	38,800,000	-
Community Colleges - Minor CIP	10,000,000	10,000,000
Capital Renewal and Deferred Maintenance, Statewide	-	60,000,000
<b>Total</b>	<b>184,942,000</b>	<b>72,500,000</b>

- Lump Sum CIP – This funding will provide UH the flexibility to prioritize improvements to existing facilities and construction of new facilities to address health, safety, and code requirements in addition to decreasing the deferred maintenance backlog through a comprehensive strategy.
- CIP Staff Costs – Funding for CIP-related positions to implement projects.
- Snyder Hall Renovation – Design funds for a total renovation of this 50 year old building with teaching labs, classrooms, and office space in the heart of the Mānoa campus.
- Dean Hall Renovation – Design funds for a complete renovation and modernization of this historic structure.
- UHWO – Creative Media Facility – This will provide construction money for classrooms, production facilities, and offices for a new Creative Media Facility.
- Community Colleges – Minor CIP – Funding for improvements to various campuses to meet current operational and instructional requirements.
- Capital Renewal and Deferred Maintenance – Funding to help address the deferred maintenance backlog.

Currently, the deferred maintenance backlog for UH is approximately \$500 million. In addition, we recognize that the Legislature will probably not simply provide this amount of funding in GO bonds and we look forward to working with the Legislature to address our backlog.

### **Governor's Message**

Finally, Governor's Message No. 11, received by the Legislature on March 3, 2016, requests additional general funds to provide a one-time subsidy in FY17 for costs related to the collective bargaining agreement with Unit 8. It is important to note that these funds are in addition to those provided in HB2013 and its companion SB2835.

Thank you for your time and consideration.