UNIVERSITY OF HAWAIʻI SYSTEM REPORT

REPORT TO THE 2012 LEGISLATURE

Report on University of Hawaiʻi Project Adjustment Fund

Act 164, Session Laws of Hawaiʻi 2011 – Sections 78 and 79

November 2011
Act 164, Session Laws of Hawai‘i (SLH) 2011, Sections 78 and 79, requires the reporting of all uses of the University of Hawai‘i Project Adjustment Fund to the 2012 Legislature. Specifically, the sections state:

SECTION 78. After the objectives and purposes of appropriations made in this Act from the general obligation bond fund for capital improvement projects for the University of Hawai‘i have been met, unrequired balances shall be transferred to the University of Hawai‘i project adjustment fund appropriated in part II and described in part IV of this Act, and shall be considered a supplementary appropriation thereto; and provided further that the governor shall submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the 2012 and 2013 regular sessions.

SECTION 79. If the authorized appropriations specified for University of Hawai‘i capital improvement projects listed in this Act or in any other act currently authorized by the legislature are insufficient, and where the source of funding for the project is designated as the general obligation bond fund, the governor may make supplemental allotments from the University of Hawai‘i project adjustment fund appropriated in part II and described in part IV of this Act to supplement any currently authorized capital investment cost elements; provided further that such supplemental allotments from the project adjustment fund shall not be used to increase the scope of the project; and provided further that the governor shall notify the legislature within five days of each use of this authority and submit a report to the legislature of all uses of this authority for the previous twelve month period from December 1 to November 30 no later than thirty days prior to the convening of the 2012 and 2013 regular sessions.

The University has two transactions to report. The first is the transfer of unrequired balances from the University of Hawai‘i at Hilo’s College of Hawaiian Language Building into the University of Hawai‘i Project Adjustment Fund (UH PAF). The University of Hawai‘i at Hilo’s College of Hawaiian Language received an appropriation of $28,000,000 in general obligation bonds by Act 180/SLH 2010 (Item G-100). Upon opening bids for the project, there was an unrequired balance of $4,155,127 after fulfilling appropriate project costs and contingencies. The Governor approved the transfer of $4,155,127 into the UH PAF on May 28, 2011 via Allotment Advice Number 11-0285.

The $4,155,127 balance in the UH PAF was transferred to the University of Hawai‘i System’s Information Technology Center (ITC), which was appropriated by Acts 162/SLH 2009 and 180/10, Item G-109. The University opened bids for the ITC project on January 31, 2011; however, a contract was not awarded due to a funding shortfall of $6,291,580. We emphasize that the transfer of $4,155,127 to the ITC was not used to increase the project scope. The $4,155,127 was used to help cover the shortfall in the ITC project. The University has since selected a contractor for the ITC and the project will initiate construction in January 2012.