



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Higher Education  
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by  
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### SB 963 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Taniguchi, Vice Chair Kahele and Members of the Committee:

The University of Hawai'i respectfully opposes the proposed repeal of the University of Hawai'i tuition and fees special fund and conforming amendments.

Presently, section 304A-2153, HRS, allows the University of Hawai'i to retain all revenues from tuition and fees charged for courses of instruction, which has become a core source of funding for the academic programs of the University of Hawai'i. Without this user-fee revenue, the University's funding would become reliant upon the limited discretionary revenues from the State of Hawaii's general fund, which would not support long-term stability for our academic programs. This long-term stability is important for two reasons.

First, the current methodology of adopting multi-year tuition and fee schedules provides a more predictable revenue stream compared to the annual variances in the general fund. This funding stability permits the University of Hawai'i to more effectively engage in long-term academic planning in support of achieving our multi-year performance goals. Should we lose the stability of the tuition and fees revenue stream, our operations would proceed on a more ad hoc basis subject to the availability of government support.

Second, tuition and fee revenues allow the University of Hawai'i to more quickly respond to such factors as increasing enrollments and rising utility costs. Our ability to reallocate tuition and fee revenues and leverage our two primary funding sources would not be possible with sole reliance on general fund revenues.

Thank you for the opportunity to provide testimony on SB 963.