



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Judiciary and Labor
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by
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S.B. 1361 – RELATING TO BUDGETING

Chair Keith-Agaran, Vice Chair Shimabukuro, and members of the Judiciary and Labor committee:

Thank you for this opportunity to testify. The University of Hawaii offers the following comments and concerns on S.B. 1361. This measure proposes to include “position ceilings” in the executive and judiciary budget documents. These position ceilings would separately identify the maximum number of permanent and temporary positions authorized in the executive budget. The measure would also prohibit the expenditure of funds on positions exceeding the ceiling, with only certain exceptions. Limiting the table of authorized positions and requiring the pre-approved funding of positions in an organization is a general best-practice. However, while UH supports the sterile intent of S.B. 1361, this bill also raises a number of serious concerns as to the practical implications of business operations at a number of departments, including the University of Hawaii.

The bill as written only slightly amends existing statute which allows some limited exception for UH to transfer appropriated funds and positions (below a ceiling) across programs. In this regard, UH believes the proposed changes in this bill are not overly impactful for UH operations. However, even with preservation of the existing exception, UH would have concerns over operating difficulties in complying with the changes proposed in other areas of this bill and believes that other departments or agencies that do not have the statutory exceptions available to UH (and, the DOE and HHSC) would have major difficulties as well.

In particular, this bill will make it nearly impossible for departments to operationally provide positions in non-general fund programs unless pre-approved AND explicitly funded by the Legislature. For UH, this would be a deviation of how federally-funded (federal grants) and special-funded positions are provided for during the fiscal year. For example, consider how the UH provides for instructional support of classes. Suppose that enrollment for a specific class exceeded projections and it became necessary to hire temporary lecturer positions. Under S.B. 1361, only positions authorized and explicitly funded by the Legislature could be filled. Students would have paid their

money into the Tuition and Fees Special Fund, but UH would lack the authority to fill the appropriate instructional position.

Similar examples might be found with research positions funded by non-general funds (Research and Training Revolving Fund and/or Federal Funds). Again, UH has a current exception in statute that is still generally preserved by S.B. 1361, however, complying with the requirement at 37-74(e) would be difficult without such exemption. This testimony provides the committee with some insight to the practical operating difficulties, but would probably be more significant to other departments or agencies that do not have existing exceptions as UH.

The University recommends that should the committee decide to pass S.B. 1361, that language in the last paragraph of Section 8 (page 40), be amended striking out the last sentence.

“This subsection shall not be construed as granting express statutory authorization for the creation of any position referenced above. ~~Such a position may be created only by an act or statute other than this subsection that expressly authorizes the position and for which funding has been provided by the legislature.~~”

This language is redundant to the sentence preceding it and states what is already provided for in other sections of statute.

The University of Hawai'i appreciates the opportunity to express its concerns.