



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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SB 1361 SD1 – RELATING TO BUDGETING

Chair Tokuda, Vice Chair Kouchi, and members of the Ways and Means committee:

Thank you for this opportunity to testify. The University of Hawai'i (UH) offers the following comments and concerns on SB 1361 SD1, Relating to Budgeting, which 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 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 SB 1361 SD1, this bill also raises a number of serious concerns as to the practical implications of business operations at a number of departments, including UH.

This 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 on UH operations. However, even with the 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 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 exceeds projections and it becomes necessary to hire temporary lecturer positions. Under SB1361 SD1, only positions authorized and explicitly funded by the Legislature could be filled. Students would have paid 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 SB1361 SD1; however, complying with the requirement of 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.

It is our understanding that the Department of Budget & Finance (B&F) has a proposed amendment very similar to the following language. The University supports the inclusion of this language into SB 1361 SD1, which would make the bill much more functional:

“76- Special, research, or demonstration project positions.

Notwithstanding any law to the contrary, with the approval of the governor, the head of a department may establish and remove any subordinate position for employees engaged in special, research, or demonstration projects approved by the governor, subject to the limitations of available appropriations.”

Additionally, we respectfully request that the Committee remove Section 8 of this bill (beginning on page 31 and ends on page 40). Specifically, we find that the language on page 40, lines 5 through 10 of this measure to be unnecessary in light of the aforementioned proposed amendment.

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