



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by
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HB 500 – RELATING TO THE STATE BUDGET

Chair Luke, Vice Chair Nishimoto, and members of the committee:

Thank you for this opportunity to provide testimony on HB500, Relating to the State Budget, with the amendments proposed in Governor's Message No. 207.

The Board of Regents (BOR) sent a request to the Governor for additional general funds for operations in the amounts of \$35.5 million for FY16 and \$38.9 million for FY17 in order to provide funding to address shortfalls in utilities cost, federal compliance issues, including Title IX, intercollegiate athletics, enrollment growth at UH-West O'ahu, and UH's Research and Innovation Initiative.

The Executive Branch budget request submitted to the Legislature in December 2014 did not include any additional general funds in UH's budget, as that submittal was a "status quo" budget for the new Administration to build upon. Subsequently, Governor Ige has sent Governor's Messages to reflect his budget priorities, which provided for an additional \$7.5 million in general funds in each fiscal year in UOH900, Systemwide support.

This increase, while appreciated, is still substantially less than the BOR request to meet important needs. Should the Legislature be unable to support the full BOR request, we hope that the Legislature will also adopt this flexible approach so that UH and BOR can make decisions as to which priorities within our multiple campuses and programs will receive what portions of the additional appropriation.

With regard to the Capital Improvement Program (CIP) portion of our budget, the Governor's CIP recommendations include full funding for our Health, Safety, and Code Requirements needs (\$63.46 million) for Fiscal Biennium 2015-2017. However, we are concerned with the level of funding for our Capital Renewal and Deferred Maintenance (CRDM) program. The restoration of our facilities is a high priority for UH and we have developed a long-term plan to accomplish this. The CIP request made by the BOR to implement the first two years of this plan includes a total of over \$188 million for CRDM needs over the budget period, as well as funding for major renovations and needed new facilities. However, the Governor's CIP request includes only \$45.5 million for CRDM. We respectfully request that consideration be given to increase CIP funding in order to restore, maintain and improve our University facilities.

Thank you for your consideration and support of Hawai'i's only public institution of higher education.