



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Ways and Means  
April 1, 2015 at 9:10 am Room 211  
by  
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### HB 500 HD1 – RELATING TO THE STATE BUDGET

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

Thank you for this opportunity to testify. The University of Hawai'i (UH) supports HB 500 HD1, Relating to the State Budget, with some concerns about the overall funding level.

The House Draft proposes a significant change to UH's operating budget, as it appropriates all general fund moneys that were previously budgeted at the campus level (i.e. UOH100, UOH210, etc.) at the system-wide level (UOH900). The University is appreciative of this expression of confidence in its ability to manage its affairs with greater flexibility, transparency, and accountability. However, we do note that the amount aggregated into lump sum in HB 500 HD1, does not provide any additional funds above FY15 levels. Merely aggregating a budget in a lump sum fashion does not overcome funding shortfall conditions.

The Board of Regents (BOR) sent a request to the Governor for additional general funds in the amounts of \$35.5 million for FY16 and \$38.9 million for FY17, which provided funding to address shortfalls in utilities cost, federal compliance issues, to include Title IX, enrollment growth at UH-West O'ahu, and UH's research and innovation initiative. Despite the flexibility afforded to UH in the HD1 version of the budget, UH believes that a significant amount of funding need will continue to exist.

With regard to the Capital Improvement Program (CIP) portion of our budget, UH is concerned with the level of funding of its highest CIP priorities. The Governor's CIP budget submittal included full funding (\$63.46 million) for our Health, Safety, and Code Requirement needs and partial funding (\$43.54 million) for our Capital Renewal and Deferred Maintenance project. HB 500 HD1 deleted funding for these two important projects.

The following table summarizes the differences between UH's CIP budget, the Governor's CIP budget, and HB 500 HD1. At a minimum, we respectfully request that the Senate restore the funding recommended by the Governor.

			University CIP Budget		Governor's CIP Budget¹		House of Representatives	
Priority	Campus	Project Title	2015-2016	2016-2017	2015-2016	2016-2017	2015-2016	2016-2017
<b>Board of Regents' CIP Budget</b>								
1	SYS	Health, Safety, and Code Requirements	36,060 C	27,400 C	36,060 C	27,400 C	0 C	0 C
2	SYS	Capital Renewal and Deferred Maintenance	85,773 C	102,499 C	14,936 C	28,600 C	0 C	0 C
3	SYS	Minor CIP²	34,000 C	18,000 C	0 C	0 C	50,996 C	0 C
4	SYS	Major CIP Planning	4,700 C	200 C	0 C	0 C	0 C	0 C
5	UHM	Snyder Hall Renovation	18,000 C	0 C	0 C	0 C	0 C	0 C
6	UHOW	Science, Technology, and Creative Media Facility	21,467 C	0 C	0 C	0 C	0 C	0 C
7	SYS	University of Hawai'i Project Adjustment Fund	4 C	0 C	4 C	0 C	4 C	0 C
8	UHM	Kuykendall Hall Renovation	0 C	40,000 C	0 C	0 C	0 C	0 C
9	KAP	Naio Building Renovation	0 C	5,000 C	0 C	0 C	0 C	0 C
10	UHOW	Professional Studies Building	0 C	2,000 C	0 C	0 C	0 C	0 C
11	UHM	Keller Hall Renovation	0 C	2,000 C	0 C	0 C	0 C	0 C
12	UHM	Daniel K. Inouye Center for Democratic Leadership	0 C	1 C	0 C	0 C	0 C	0 C
<b>Legislative Initiatives</b>								
•	HAW	Hawai'i Community College Portable Trailers	0 C	0 C	0 C	0 C	1,500 C	0 C
•	MAU	Maui Community College Food Innovation Building	0 C	0 C	0 C	0 C	25,000 C	0 C
		<b>University of Hawai'i</b>	200,004	197,100	51,000	56,000	77,500	0
		<u>Means of Financing</u>						
		C General Obligation Bond Fund	200,004 C	197,100 C	51,000 C	56,000 C	77,500 C	0 C

<sup>1</sup> Includes Governor's Message dated February 10, 2015

<sup>2</sup> HB 500, HD 1 includes Minor CIP projects in UOH 800 and UOH 900

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