



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance

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by

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SB 1283, SD 2, HD 1 Relating to the Hawaii Tobacco Settlement Special Fund

Chair Oshiro, Vice Chair Lee, and members of the Committee:

My name is Gary Ostrander and I currently serve as the Interim Dean of the John A. Burns School of Medicine (JABSOM) of the University of Hawai'i at Mānoa. I am pleased to express support for SB 1283, SD 2, HD 1, which would allow the use of funds from the Hawai'i tobacco settlement special fund to pay for operating expenses of JABSOM in addition to paying debt service for the new facility in Kaka'ako.

We appreciate the intent of the measure's authors to provide an added source of financial resources for the operations and maintenance of JABSOM. The Legislature has supported JABSOM by authorizing construction of its Kaka'ako facility and by appropriating non-recurring funds for the 2005-2007 biennium in the amounts of \$3.6 million and \$3.7 million for fiscal years 2006 and 2007 respectively.

The assumption was that JABSOM would have adequate overhead income generated by its extramural research and training, and that overall contracts and grants volume would increase so that generated overhead income would be sufficient to meet Kaka'ako operating costs. While contracts and grants income at JABSOM has increased dramatically over the last five years, the increase has not been sufficient enough to generate the required overhead income.

SB 1283 SD2, HD 1 offers an innovative method of providing operating funds to JABSOM that enables the full utilization of its Kaka'ako facility to improve the health of Hawai'i's people through education, training, and research.

Thank you for the opportunity to testify in support of this measure.