



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education & Technology
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by
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HB 63 – RELATING TO NON-GENERAL FUNDS

Chair Takayama, Vice Chair DeCoite, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) opposes House Bill No. 63, Relating to Non-General Funds, because it proposes to eliminate the athletics special funds at both UH Mānoa and UH Hilo. Eliminations of these special funds would significantly alter the entire operations of both athletics programs and how either campus operates.

The UH suggests that neither Athletics Special Fund be repealed. The 2020 Legislative Auditor's "Review of Special Funds, Revolving Funds, Trust Funds, and Trust Accounts of the University of Hawai'i" noted that the UH Mānoa Intercollegiate Athletics Special Fund was not self-sufficient and should be repealed. The UH offered comment that collegiate athletics is a major function at the UH and is operated as an enterprise. Athletics generates significant revenues from multiple sources (i.e., ticket sales, sponsorships, concessions, promotions, etc.). Most of those revenues pay for the operational activity of the athletic programs, but are also supplemented with campus revenues and state appropriations.

Although the fund is not self-sufficient and therefore fails to meet the criteria in the Auditor's Report, the fund still provides a useful function. Repealing the fund would mean that the Athletics program at UH Mānoa would be entirely dependent on the general fund. All expenditures related to the athletics program, including travel, conference guarantees, salaries, student meals, student-athlete health and wellness, etc., would be paid by the State general fund. Additionally, the revenues that are collected for athletics purposes, including ticket revenue, broadcast distribution deals, concession agreements, and facilities rentals would be captured by the State general fund. This would significantly reduce the transparency of the Athletics program and create an unnecessary burden on the Athletics program, without improving the self-sufficiency of the program. The UH has been actively trying to build its athletics programs toward the goal of a true business enterprise – one that is self-sufficient. The vast overwhelming majority of collegiate athletics programs at other universities and colleges are also not self-sufficient, but UH believes that our combination of public- and university-funding support could help place UH athletics on sound footing.

Thank you for this opportunity to testify.