



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by

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HB 1072 HD1 – RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND

Chair Luke, Vice Chair Cullen, and members of the Committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) supports House Bill No. 1072 House Draft 1, Relating to the University of Hawaii Tuition and Fees Special Fund. This bill repeals the requirement that each UH campus prepare an annual operations plan and also repeals the requirement that the moneys in the Tuition and Fees Special Fund (TFSF) for each UH campus lapse to the credit of UOH900 at the end of each fiscal year.

These requirements were put into place with the passage of Act 236, Session Laws of Hawai'i (SLH) 2015. During the 2015 Legislative Session, UH was supportive of these requirements, as it was felt that this would provide the President and Chief Financial Officer with greater control over UH operations. However, once the statute was in place and implemented, issues regarding the exact timing of transfers either immediately before or after the fiscal year changeover has created some confusion in our reports to the Board of Regents (Board) or other associations of higher education officials. We therefore respectfully request passage of this measure to eliminate this confusion.

Additionally, statutes governing the administration of the budget and administration of special funds already permit the Governor and the University President to allocate tuition and fees fund balances to UH programs. Act 236, SLH 2015, did not provide any additional authority or capability to the UH. It has created additional bureaucratic processes for compliance, but has not added much value.

We also note that since the passage of this bill, it has become standard practice for the Board to approve an annual spending plan for the entire UH. This annual plan is available for review on the Board's website as well as the University Budget Office's website. It is our belief that this makes a more transparent budget process than what is currently in statute and will continue to adhere to this Regent Policy whether this bill becomes law or not.

Thank you for this opportunity to testify.