



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
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by
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HB 1298 – RELATING TO STATE FUNDS

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) opposes House Bill No. 1298, Relating to State Funds. This measure would transfer balances from various non-general funds to the State General Fund.

For the UH, this bill would transfer \$83,929,077.31 from various UH funds to the State General Fund. While we understand the dire fiscal condition faced by the State, a transfer of this magnitude would be very detrimental to the UH's operations. The amounts listed in the bill are presented below:

Listed Name	Amount
UH Community Colleges	\$ 38,187,977.10
University of Hawaii, Mānoa	\$ 108,918.28
Center for Nursing Special Fund	\$ 0.96
University of Hawai'i, Hilo	\$ 21,724,956.01
Grant for the Bridge-to-Hope Program	\$ 87,659.78
Nurse Training	\$ 2,730.45
UOH, System Wide Support	\$ 23,780,784.13
Hawai'i Educator Loan Program Special Fund	\$ 34,467.35
Legislative Relief for Claims - UH	\$ 1,583.25
Total	\$ 83,929,077.31

Specific funds are not identified, but the majority of any fund balances at the various campuses are the result of the Tuition and Fees Special Fund, the Research and Training Revolving Fund, or other auxiliary funds that operate at the UH. The revenues for these funds are generated by payments from our students, their families, and other users of UH facilities or operations, including the food services, bookstore, housing, and parking.

The global pandemic has resulted in a severe decline in on-campus presence by students, faculty, staff, and other visitors. The auxiliary functions listed above have also

experienced a significant decrease in revenues. While cost-cutting measures have been implemented, there are significant fixed costs that can not be eliminated. Our analysis predicts that these funds will have fiscal concerns for at least a couple of years as expenditures exceed revenues. However, there is hope that a return to significant on-campus presence in the future will eventually restore revenues to pre-COVID levels.

We recognize the State's financial situation and are ready to work with the Legislature in determining an appropriate amount of funds that might be transferred from UH's funds to the General Fund; but these transfers should be done judiciously and cooperatively to minimize the impact to the UH's operations.

UH has identified some funds that are no longer in use and may be transferred to the General Fund:

Listed Name	Amount
Center for Nursing Special Fund	\$ 0.96
Grant for the Bridge-to-Hope Program	\$ 87,659.78
Nurse Training	\$ 2,730.45
Legislative Relief for Claims - UH	\$ 1,583.25
Total	\$ 91,974.44

The Grant for Bridge-to-Hope and the amount for Nurse Training are from old appropriations from the Emergency Budget and Reserve Fund ("Rainy Day Fund") and are not currently used by UH. While it might be most appropriate to return those amounts to the Rainy Day Fund, given the age of the appropriation and the fact that the General Fund has made contributions to the Rainy Day Fund in recent years, it is probably justifiable for those funds to be transferred to the General Fund.

The Center for Nursing Special Fund and the Legislative Relief for Claims amounts are old funds that UH does not use and those may be transferred to the General Fund with no impact to UH.

Thank you for this opportunity to testify.