



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Education
January 30, 2024 at 2:00 p.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer
University of Hawai'i System

HB 1537 – PROPOSING AMENDMENTS TO ARTICLES VIII AND X OF THE
CONSTITUTION OF THE STATE OF HAWAII TO AUTHORIZE THE LEGISLATURE
TO ESTABLISH A SURCHARGE ON RESIDENTIAL INVESTMENT PROPERTY TO
INCREASE FUNDING FOR PUBLIC EDUCATION

Chair Woodson, Vice Chair La Chica, and Members of the Committee:

Thank you for the opportunity to testify on this measure, which proposes to provide, by constitutional amendment, legislative authority to establish a surcharge on certain real property for the benefit of public education in Hawai'i. The University of Hawai'i (University) supports this measure as a means to provide more public funding to support Hawai'i's lone higher education system.

State funding for the University has steadily declined over the past ten years as competing demands to fund state services have also weighed on available state revenues. The state budget for FY2015-16 (Act 119, SLH 2015) appropriated \$427.6 million or 6.5% of the state general fund budget towards higher education at the University¹. For FY2023-24, the University's portion of the state general fund budget has declined to 5.7% (\$614.1 million)². The same trend is also reflected with public K-12 Department of Education declining from 23.2% to 19.8% over the same period.

Providing adequate funding for public education is critical to support one of the primary services for our community and state. The University is supportive of this measure to the extent that additional sources are needed to help the state address its funding needs.

Mahalo for the opportunity to provide testimony on this bill.

¹ State of Hawai'i, Budget-in-Brief, FY2017.

<https://budget.hawaii.gov/wp-content/uploads/2015/12/Budget-in-Brief-FY-17-BIB.pdf>, page 11.

² State of Hawai'i, Budget-in-Brief, FY2025.

<https://budget.hawaii.gov/wp-content/uploads/2023/12/Budget-in-Brief-FY-25-BIB.7H0.pdf>, page 11.