



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Higher Education
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by
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SB 91 SD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Kim, Vice Chair Kidani, and members of the committee:

Thank you for the opportunity to present testimony today. The University of Hawai'i (UH) opposes Senate Bill No. 91, Senate Draft 1, Relating to the University of Hawaii. This bill removes the exemption of all special funds of the UH as well as the Hawai'i Cancer Research Special Fund from the list of exempted special funds from the administrative fee imposed under Chapter 36-30, Hawai'i Revised Statutes (HRS).

This bill will instantly increase the cost and expenses of all activities from the dozens of special funds within the UH. Chapter 36-30, HRS, relates to the administrative fee that is assessed on most non-general funds of the State of Hawai'i. The purpose of the fee is to have non-general funds pay towards the administrative services that are provided by general state government such as accounting, treasury management, human resources, procurement, etc. The reason that the UH special funds are exempted from this assessment under Chapter 36-30, HRS, is because UH provides its own administrative management of its special funds and has its own accounting, human resources, procurement, and treasury functions.

Removing the exemption from the central services fee does not serve any reasonable purpose and does not add any benefit to the UH. In fact, removing the exemption will only serve to increase the cost of UH operations and existing services that are performed by the special funds. This increased cost will result in higher rates for the UH's students and other recipients of these services with the additional money going into the state's General Fund for services that UH does not use.

Thank you for this opportunity to testify.