



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented to the
House Committee on Higher Education
Friday, March 14, 2025 at 2:00 p.m.

By

Kalbert K. Young

Vice President for Budget and Finance/Chief Financial Officer

and

Debora Halbert

Vice President for Academic Strategy

University of Hawai'i System

SB 1530 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Garrett, Vice Chair Amato, and Members of the Committee:

The University of Hawai'i (UH) appreciates the opportunity to provide its position on Senate Bill 1530, which seeks to implement a performance-based funding model for the entirety of the UH budget. UH has significant concerns with this measure.

Approximately \$6 million of the annual appropriation to the UH is provided based on targeting achieving certain performance metrics. Since the establishment of this funding approach, UH has offered campuses the opportunity to access this funding based on achieving a number of metrics such as improving graduation rates, student transfer rates, etc. Over the years, there has been an improvement in these areas for all campuses. The availability of performance funding provides for investment in initiatives, programs, and approaches that contribute to achieving metric targets.

Senate Bill 1530 proposes to replace the UH budget with one entirely based upon performance metrics. While the UH certainly is not against performance improvements, or even incentivizing improvements, making a department's entire budget based on performance is not recommended or practical. Performance-based models in public sector agencies, cannot be as broadly applied as in private sector enterprises because there are services and cost drivers that have varied qualitative and quantitative measurements for performance.

Providing or eliminating funding to the UH based entirely on performance outcomes does not fully recognize the multifaceted nature of higher education and, the complexity of the UH. Factors such as research, community and civic engagement, and student well-being contribute to the value of the institution for the State of Hawai'i. Additionally, the one-size-fits-all approach can fail to account for the unique challenges that

institutions like UH face, such as serving a diverse, nontraditional student population and the specific needs of our local communities.

Over the past decade, UH has seen remarkable increases in their graduation and retention rates in part due to the allocation and strategic use of funds to improve these metrics. More can be done to refine the use of these funds to encourage student success. However, shifting the entirety of the UH budget towards this model will be disruptive while opening UH up to the unintended consequences other states have seen.

Thank you for your time and consideration.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-THIRD LEGISLATURE, 2025**

ON THE FOLLOWING MEASURE:

S.B. NO. 1530, RELATING TO THE UNIVERSITY OF HAWAII.

BEFORE THE:

HOUSE COMMITTEE ON HIGHER EDUCATION

DATE: Friday, March 14, 2025

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 309

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Candace J. Park, Deputy Attorney General

Chair Garrett and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill (1) requires the Board of Regents or the President of the University of Hawaii (UH) to allocate general funds to UH program IDs in accordance with performance-based outcomes relating to student achievement and degree attainment and articulation; (2) requires the UH President to propose at least three efficiency measures to the Director of Finance to produce a more effective budget; and (3) requires the UH President to report to the Legislature, accordingly.

Article X, section 6, of the Hawai'i Constitution gives the Board of Regents of the University of Hawai'i "exclusive jurisdiction over the internal structure, management, and operation of the university." Section 6 further provides: "This section shall not limit the power of the legislature to enact laws of statewide concern. The legislature shall have the exclusive jurisdiction to identify laws of statewide concern." If the Committee decides to pass this bill, we recommend an amendment that adds a statement identifying this bill as a law of statewide concern.

To avoid any ambiguity, we recommend amending page 2, lines 7-12, to read:

The legislature further finds that [~~requiring the board of regents to allocate funds to university of Hawaii program IDs according to performance-based outcomes relating to student achievement and degree attainment~~] this Act is a [~~matter~~] law of statewide concern pursuant to article X, section 6, of the Hawaii State Constitution.

Thank you for the opportunity to provide these comments.



The House Committee on Higher Education

March 14, 2025

Room 309

2:00 PM

RE: **SB 1530, Relating to the University of Hawaii**

Attention: Chair Andrew Garrett, Vice Chair Terez Amato and members of the Committee

The University of Hawaii Professional Assembly (UHPA), the exclusive bargaining representative for all University of Hawai'i faculty members across Hawai'i's statewide 10-campus system, **strongly opposes SB 1530**, which implements a performance-based funding model for the University of Hawaii budget.

As with all institutions of higher learning, the University of Hawai'i (UH) is a multifaceted institution in pursuit of providing its students with a meaningful learning experience that connects to their local and global communities through interdisciplinary learning, critical thinking, shared ideas and perspectives, and engagement both inside and outside the classroom.

By instituting performance requirements on the University of Hawaii and UH program IDs based upon student achievement and degree attainment, the legislature is detrimentally impacting the UH student body, as well as the success of the University and its mission. Rather than boosting achievements at current standards, financially rewarding increased success rates may, instead, pressure faculty to lower standards.

A performance-based system rewards "popular" degrees while diminishing the less-popular programs which often provide students with the meaningful, well-rounded educational experience both the student and university seek to achieve.

Similar to the legislative process, a one-size-fits-all approach to education does not work. As the salary commission does not tie its recommendation to increase legislative salaries on the number of bills passed, student success and degree attainment should not dictate how UH funding should be allocated. As you are aware, the University of Hawai'i is a place of broad based learning that offers opportunities to our students to have access to a number of different learning opportunities for a reason. The approach proposed in this bill by the Senate fails to account for the broader needs of the community, and will likely result in a decline in overall enrollment.

University of Hawaii
Professional Assembly

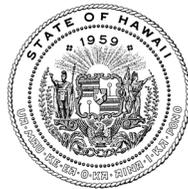
1017 Palm Drive ♦ Honolulu, Hawaii 96814-1928
Telephone: (808) 593-2157 ♦ Facsimile: (808) 593-2160
Website: www.uhpa.org



UHPA appreciates the opportunity to testify in **STRONG OPPOSITION** to this measure.

Respectfully submitted,

Christian L. Fern
Executive Director
University of Hawaii Professional Assembly



JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LIEUTENANT GOVERNOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

LUIS P. SALAVERIA
DIRECTOR

SABRINA NASIR
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
Ka 'Oihana Mālama Mo'ohelu a Kālā
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT

WRITTEN ONLY
TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON HIGHER EDUCATION
ON
SENATE BILL NO. 1530

March 14, 2025
2:00 p.m.
Room 309 and Videoconference

RELATING TO THE UNIVERSITY OF HAWAII

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 1530 adds a new section to Chapter 304A, HRS, to:

- 1) allow the University of Hawai'i (UH) Board of Regents to transfer general fund appropriations to UH Program IDs in accordance with performance-based outcomes;
- 2) grant authority to expend such funds to the head of the UH college, campus, or school of that Program ID;
- 3) require the President of UH to devise metrics and standards for the performance-based outcomes;
- 4) specify that any amounts not transferred to Program IDs at the end of each fiscal year (FY) shall lapse to the general fund; and
- 5) require the President of UH to submit a report of findings, recommendations, and proposed legislation to the Legislature each FY. The bill further requires the President of UH to propose at least three efficiency measures to the Director of Finance for review and approval and submit reports on efficiency measures to the Legislature in 2026 and 2027.

B&F notes that while S.B. No. 1530 states that any amounts not transferred to a UH Program ID shall lapse at the end of each FY, it does not address transferred amounts remaining unexpended and unencumbered. It remains unclear whether the intent of the bill is for funds that have been transferred to other Program IDs but remain unexpended and unencumbered at the end of the FY shall or shall not lapse in accordance with Section 37-41, HRS. Currently, all unexpended and unencumbered UH general fund balances lapse at the end of each FY unless otherwise specified by proviso.

Thank you for your consideration of our comments.

Committee on Higher Education
The Hawaii State House of Representatives
415 S Beretania St.
Honolulu, HI 96813

Re: OPPOSITION to Bill [SB1530](#)

March 11, 2025

Dear Chair Garrett, Vice Chair Amato, and esteemed members of the Committee on Higher Education,

My name is Erika Molyneux, and I am a faculty-member at Leeward Community College. The statements expressed are my opinions as an individual and do not represent the position of my college.

Please OPPOSE Bill [SB1530](#), which requires the Board of Regents (BOR) or the President of the University of Hawaii (UH) to allocate general funds appropriated to the UH to UH program IDs in accordance with performance-based outcomes relating to student achievement and degree attainment. This also requires the President to submit reports to the Legislature and propose at least three efficiency measures to the Director of Finance to produce a more effective budget.

While I support the idea of efficiency and want all students to succeed, [SB1530](#) threatens quality instruction and academic rigor by tying graduation and success rates to legislative funding.

UH-System representatives Kalbert Young, Vice President for Budget and Finance and Chief Financial Officer (CFO) and Debora Halbert, Vice President for Academic Strategy said it well in their previous testimony on this bill, stating,

[Senate Bill 1530](#) proposes to replace the UH budget with one entirely based upon performance metrics...Providing or eliminating funding to the University of Hawai'i based entirely on performance outcomes does not fully recognize the multifaceted nature of higher education and, the complexity of the University of Hawai'i. Factors such as research, community and civic engagement, and student well-being contribute to the value of the institution for the State of Hawai'i. Additionally, the one-size-fits-all approach can fail to account for the unique challenges that institutions like UH face, such as serving a diverse, nontraditional student population and the specific needs of our local communities.

For all these reasons, I strongly OPPOSE Bill [SB1530](#) and ask that you do the same. Mahalo nui for your time and consideration.

Sincerely,



Erika Molyneux
Assistant Professor, New Media Arts
Leeward Community College
Resident of Kāneo'he, Hawai'i

Committee on Higher Education
The Hawaii State House of Representatives
415 S Beretania St.
Honolulu, HI 96813

Re: OPPOSITION to Bill [SB1530](#)

March 12, 2025

Dear Chair Garrett, Vice Chair Amato, and esteemed members of the Committee on Higher Education, My name P. Jayne Bopp; I am a professor of sociology and the accreditation liaison officer for Leeward Community College. The statements expressed are my opinions as an individual and do not represent the position of my college.

Please OPPOSE Bill [SB1530](#), which requires the Board of Regents (BOR) or the President of the University of Hawaii (UH) to allocate general funds appropriated to the UH to UH program IDs in accordance with performance-based outcomes relating to student achievement and degree attainment. This also requires the President to submit reports to the Legislature and propose at least three efficiency measures to the Director of Finance to produce a more effective budget.

While I support the idea of efficiency and want all students to succeed, [SB1530](#) threatens quality instruction and academic rigor by tying graduation and success rates to legislative funding.

UH-System representatives Kalbert Young, Vice President for Budget and Finance and Chief Financial Officer (CFO) and Debora Halbert, Vice President for Academic Strategy said it well in their previous testimony on this bill, stating,

[Senate Bill 1530](#) proposes to replace the UH budget with one entirely based upon performance metrics...Providing or eliminating funding to the University of Hawai'i based entirely on performance outcomes does not fully recognize the multifaceted nature of higher education and, the complexity of the University of Hawai'i. Factors such as research, community and civic engagement, and student well-being contribute to the value of the institution for the State of Hawai'i. Additionally, the one-size-fits-all approach can fail to account for the unique challenges that institutions like UH face, such as serving a diverse, nontraditional student population and the specific needs of our local communities.

For all these reasons, I strongly OPPOSE Bill [SB1530](#) and ask that you do the same. Mahalo nui for your time and consideration.

Sincerely,



P. Jayne Bopp
Professor and Accreditation Liaison Officer
Leeward Community College
Resident of Kāneʻohe, Hawai'i

12 March 2025

Committee on Higher Education
The Hawaii State House of Representatives
415 S Beretania St.
Honolulu, HI 96813

Re: OPPOSITION to Bill [SB1530](#)

Dear Chair Garrett, Vice Chair Amato, and members of the Committee on Higher Education:

My name Michael Oishi, and I am associate professor of literature at Leeward Community College. The statements expressed are my opinions as an individual and do not represent the position of my college.

Please OPPOSE Bill [SB1530](#), which requires the Board of Regents (BOR) or the President of the University of Hawai'i (UH) to allocate general funds appropriated to the UH to UH program IDs in accordance with performance-based outcomes relating to student achievement and degree attainment. This also requires the President to submit reports to the legislature and propose at least three efficiency measures to the Director of Finance to produce a more effective budget.

While I support the idea of efficiency and want all students to succeed, [SB1530](#) threatens quality instruction and academic rigor by tying graduation and success rates to legislative funding. Success and graduation rates should be determined by students' attainment of specified course and program learning outcomes, not metrics established by the legislature. The latter will only incentivize grade inflation to ensure continued legislative funding, not meaningful learning nor the successful application of college skills to students' personal and professional lives.

For these reasons, I strongly OPPOSE Bill [SB1530](#) and ask that you do the same. Mahalo nui for your time and consideration.

Yours Sincerely,

Michael Oishi

Michael Oishi
Mililani, Hawai'i

SB-1530

Submitted on: 3/12/2025 6:35:06 PM

Testimony for HED on 3/14/2025 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michelle Igarashi	Individual	Oppose	Written Testimony Only

Comments:

This bill, which ties financial rewards to performance-based outcomes in student achievement and degree attainment, represents a fundamentally flawed approach to higher education funding. By prioritizing quantifiable metrics, it risks reducing the complex and multifaceted nature of education to mere test scores and graduation rates, potentially fostering a "teaching to the test" environment that stifles critical thinking and creativity. Furthermore, this system threatens to exacerbate existing inequities, disproportionately disadvantaging institutions serving marginalized students who may face systemic barriers to academic success. The emphasis on standardized measurement ignores the diverse and valuable outcomes of higher education, such as personal growth and civic engagement, and creates an environment ripe for manipulation and gaming the system. The mandated reporting and efficiency proposals imposed on university presidents add unnecessary bureaucratic burdens, diverting resources from core educational activities and opening the door to undue political influence over institutional budgets. Ultimately, this bill's narrow focus on performance metrics undermines the holistic mission of higher education, risking the quality and accessibility of education for all students.