

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HIGHER EDUCATION
ON
HOUSE BILL NO. 8

January 29, 2009

RELATING TO THE UNIVERSITY OF HAWAII

House Bill No. 8 requires University of Hawaii general fund appropriations to be based upon the amount of funding required per student. Beginning in Fiscal Year 2011, funding will be based on a student weighted formula that factors in the number of enrolled students, their classification as graduate or undergraduate, their enrollment in a program that leads to a degree, and the accumulated credit hours for each student under that classification and program. House Bill No. 8 appropriates an unspecified sum of general funds for Fiscal Year 2010 and Fiscal Year 2011 for the University to develop a funding model and for computer system upgrades to implement the model.

We oppose this bill. Notwithstanding the current fiscal condition of the State, it is not prudent to require a set amount of general funds to flow to the University. While there may be merits to a student weighted formula at the University, the State would be negatively impacted if there were no flexibility in the new funding model to account for any adverse fiscal conditions.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
January 29, 2008 at 2:00pm

by

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HB 8 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Chang, Vice Chair Nakashima, and members of the House Committee on Higher Education. Thank you very much for this opportunity to testify on House Bill 8 that bases the general fund budget appropriations for the University of Hawai'i on a student weighted formula. As specified in House Bill 8, the formula per student would consider the undergraduate or graduate classification of students, their enrollment in a degree program, and students' accumulated credit hours, reducing funding per student after the accumulation of a certain number of credit hours.

The University appreciates the focus of House Bill 8. Currently the UH is working with a funding formula task force, established by Act 188 (Session Laws Hawai'i 2008), to develop a budgetary system with a funding formula linked to full-time enrollment of students, their different categories, programs, and needs. In compliance with Act 188, we will also include an incentive and performance component tied to the higher education needs of the state and the University's plan to meet those needs. Linking our strategic goals to the state's postsecondary and workforce needs is part of the action taken by the University since it began to update its UH System Strategic Plan in Fall 2007. As part of that initiative, the UH System tied strategic outcomes to performance measured by specific indicators. We also developed a financial plan with both long and medium term components. Act 188 comprehensively links these goals and performance to basic and incentive funding.

The Act 188 task force convened last fall with consultant Mary McKeown-Moak of MGT of America. On behalf of the task force, UH Vice President John Morton, co-chair with Senator Norman Sakamoto, reported on its progress to the Senate and House Higher Education Committees on Tuesday, January 27. The work based upon data from campuses and national sources has begun, and the task force is focusing on factors that should be included in a formula to provide equitable funding. The final report, anticipated for Spring 2009, will also discuss a way to establish performance incentives as described by law.

The factors tied to a general fund formulation described in HB 8 will be considered by the Act 188 task force, such as number of enrolled students; their classification as graduate or undergraduate; and their enrollment in various degree programs. The University is looking forward to the results of the Act 188 Task Force work and continuing to work with the legislature in determining a new means for financing higher education in Hawaii.