



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
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by

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HB 0024 – RELATING TO UNIVERSITY OF HAWAII BUDGET

Chair Nishimoto, Vice Chair Nakashima and Members of the Committee:

The University of Hawai'i System supports the intent of HB 0024 for periodic reevaluation of the need for all of the programs for which the University of Hawai'i System is responsible, and justifying the continuance or termination, and the level of funding of each program in its budget proposal. The University conducts regular program reviews and critical reviews of funding requirements and prioritization of programs and needs are an integral part of our budgeting process, particularly at this time where our general funds have been reduced by 23% from the previous biennium. In addition, as presented before this committee and the Finance committee in our budget briefing, we are pursuing a performance based approach as suggested by Act 188, SLH 2008 which focuses on outcomes that result from our strategic planning.

The state currently is mandated to use the Programming, Planning and Budgeting system (PPBS) which integrates system-wide planning with budgeting. Its planning orientation calls for a) choosing operational goals for the organization, choosing methods and means to be used to achieve those goals over a specified time period; and b) arranging budgets by programs designed to fulfill an organization's goals and focusing on measuring performance (productivity or efficiency) of those programs.

HB 0024 calls for the development and implementation of a different system which would differ and may not be comparable. Not only would the development of a new budget system and process take much time and effort, including the training of personnel required, but also we would be effectively performing two budgeting processes in order to submit our budget to the state under its PPBS process.

The University of Hawai'i does not have the personnel and resources at this time to develop and implement a zero based budgeting system and to prepare two fundamentally different sets of budget documents for each budget cycle.

Thank you for the opportunity to present our concerns regarding this measure.