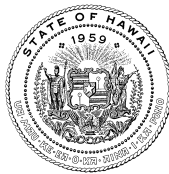


DAVID Y. IGE  
GOVERNOR



LAUREL A. JOHNSTON  
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**STATE OF HAWAII  
DEPARTMENT OF BUDGET AND FINANCE**

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

**WRITTEN ONLY**

TESTIMONY BY LAUREL A. JOHNSTON  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON WAYS AND MEANS  
ON  
HOUSE BILL NO. 2501, H.D. 1, S.D. 1

**LATE**

**April 3, 2018  
10:00 a.m.  
Room 211**

**RELATING TO THE UNIVERSITY OF HAWAII COMMUNITY COLLEGE PROMISE PROGRAM**

House Bill No. 2501, H.D. 1, S.D. 1, establishes the Hawaii Community College Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at a community college; establishes the Hawaii Community College Promise Program Special Fund; appropriates an unspecified amount of general funds for deposit to the special fund; and appropriates an unspecified amount of special funds.

As a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. With regards to House Bill No. 2501, H.D. 1, S.D. 1, the sources of revenues for the special fund are not specified, so it is difficult to determine if there is an appropriate nexus or if the special fund is financially self-sustaining.

Thank you for your consideration of our comments.

DAVID Y. IGE  
GOVERNOR



STATE OF HAWAII  
DEPARTMENT OF EDUCATION  
P.O. BOX 2360  
HONOLULU, HAWAII 96804

Written Only

DR. CHRISTINA M. KISHIMOTO  
SUPERINTENDENT

**Date:** 04/03/2018

**Time:** 10:00 AM

**Location:** 211

**Committee:** Senate Ways and Means

**Department:** Education

**Person Testifying:** Dr. Christina M. Kishimoto, Superintendent of Education

**Title of Bill:** HB 2501, HD1, SD1 RELATING TO THE UNIVERSITY OF HAWAII COMMUNITY COLLEGE PROMISE PROGRAM.

**Purpose of Bill:** Establishes the University of Hawaii Community College Promise Program to provide scholarships for the unmet direct cost needs of qualified students enrolled at any community college campus of the University of Hawaii system. Appropriates funds to establish and implement the program. Takes effect 7/1/2112. (SD1)

**Department's Position:**

The Department of Education (Department) supports HB 2501, HD1, SD1. The Department supports opportunities for all public school graduates to have affordable access to quality higher education opportunities at any University of Hawaii Community College campus.

Thank you for the opportunity to testify on HB 2501, HD1, SD1.

The Hawaii State Department of Education seeks to advance the goals of the Strategic Plan which is focused on student success, staff success, and successful systems of support. This is achieved through targeted work around three impact strategies: school design, student voice, and teacher collaboration. Detailed information is available at [www.hawaiipublicschools.org](http://www.hawaiipublicschools.org).