



UNIVERSITY  
of HAWAII®

Ke Kulanui o Hawai'i

David Lassner  
President

**DEPT. COMM. NO. 161**

December 21, 2023

The Honorable Ronald D. Kouchi,                      The Honorable Scott Saiki, Speaker  
President and Members of the Senate      and Members of the House of Representatives  
Thirty-Second State Legislature              Thirty-Second State Legislature  
Honolulu, Hawai'i 96813                      Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

For your information and consideration, the University of Hawai'i is transmitting one copy of the Annual Report Summarizing Uncollectible Accounts FY2023 (Section 40-82, Hawai'i Revised Statutes) as requested by the Legislature.

In accordance with Section 93-16, Hawai'i Revised Statutes, this report may be viewed electronically at: <https://www.hawaii.edu/offices/government-relations/2024-legislative-reports/>.

Should you have any questions about this report, please do not hesitate to contact Stephanie Kim at (808) 956-4250, or via e-mail at [scskim@hawaii.edu](mailto:scskim@hawaii.edu).

Sincerely,

A handwritten signature in black ink that reads 'David Lassner'.

David Lassner  
President

Enclosure

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# UNIVERSITY OF HAWAI‘I SYSTEM ANNUAL REPORT



REPORT TO THE 2024 LEGISLATURE

Annual Report  
Summarizing Uncollectible Accounts  
FY2023

HRS 40-82

December 2023

**THE UNIVERSITY OF HAWAII SYSTEM  
ANNUAL REPORT TO THE LEGISLATURE FOR FISCAL YEAR 2023  
SUMMARIZING UNCOLLECTIBLE ACCOUNTS  
HRS § 40-82**

The University of Hawaii'i respectfully submits its annual report summarizing uncollectible delinquent accounts pursuant to Hawaii'i Revised Statutes ("HRS") § 40-82(d).

HRS § 40-82 authorizes the University General Counsel ("UGC") to review uncollectible accounts, and if the UGC finds the account to be uncollectible, such accounts may be entered into a special record and be deleted from the accounts receivable records of the University, whereupon, the University is relieved from any further accountability for their collection HRS § 40-82(c).

HRS § 40-82 defines uncollectible account as an account which has been delinquent for at least two consecutive years and: (1) the debtor or party causing damage to property belonging to the State is no longer within the jurisdiction of the State; (2) the debtor or party causing damage to property belonging to the State cannot be located; (3) the party causing damage to property belonging to the State is unknown or cannot be identified; (4) the debtor has filed bankruptcy and has listed the State as a creditor; or (5) any other account as may be deemed by the UGC to be uneconomical or impractical to collect. The statute further provides that any account entered in the special record shall be transferred to the current accounts receivable if the UGC finds that the facts as alleged and presented were not true, or that the account has become collectable.

During Fiscal Year 2023, the University of Hawaii'i requested and was approved by the UGC for write-off of uncollectible accounts summarized in the following table. The write-offs related to deceased students are from various campuses and are associated with charges from tuition, fees, housing, meal charges, parking and other related fees prior to October 31, 2022. Additionally, there is the write-off of outstanding student accounts from various campuses that were over 10 years old (2010 and prior) and involved 2,170 delinquent accounts totaling \$2,023,910.56. Delinquent balances were related to charges associated with tuition, fees, housing, meal charges, parking, other related fees, and withdrawn financial aid. Students in this category will have a financial obligation hold on their account, with sanctions, that will block future registration and transcript requests as well as be retained on the tax setoff list until the account is paid in full.

The University anticipates that based on aging of delinquent accounts, such account write-offs may be warranted to occur every two to three years after analysis of the data and collection efforts have been exhausted. The uncollectible student AR from 2009 and 2010 as a percentage of the total student billing (which is the majority of UH's overall revenue) is less than one percent (1%), which is better than benchmark data as provided by National Association of College and University Business Officers (NACUBO) with ranges from 3.1% to 4.5%.

<b>Debtor Account Category</b>	<b>Number of Accounts</b>	<b>Debt Amounts</b>
Various Campuses – Delinquent Tuition Related Expenses – Uncollectible, debtors deceased	43	\$ 60,111.89
Various Campuses – Student Accounts Delinquent for more than 10 years – Demonstrated as uncollectible	2,170	\$ 2,023,910.56
<b>Totals</b>	<b>2,213</b>	<b>\$ 2,084,022.45</b>