

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON HEALTH  
ON  
HOUSE BILL NO. 2133, H.D. 1

February 4, 2008

RELATING TO NURSING

House Bill No. 2133, H.D. 1, establishes a nursing teacher loan forgiveness program that would provide payment of a loan if a person earns an advanced degree in nursing and agrees to teach in a qualified position for at least five academic years. The program would be financed by the Nursing Teacher Loan Forgiveness special fund created by this bill. The fund would generate revenues through legislative appropriations, gifts, grants, and donations. The bill appropriates \$1.00 from the general fund for deposit into the special fund.

As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-53.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. It is difficult to determine whether the fund will be self-sustaining.

000087

Testimony Presented Before the  
House Committee on Health  
February 4, 2008 at 9:30 am

by

Karen C. Lee

Interim Associate Vice President for Student Affairs, University of Hawai'i System

HB 2133, HD1 - Relating to Nursing

The purpose of HB 2133, HD1 Relating to Nursing, is to create a nursing teacher loan forgiveness program and to create a nursing teacher loan forgiveness special fund. This program is to provide students who intend to become instructors in nursing the funding to pursue a masters or doctorate program.

The University of Hawai'i appreciates the intent of the Legislature to provide financial support to students who wish to become nursing educators. However, the University is opposed this bill because of the extensive administrative hardship this will place on our various offices, in particular our School of Nursing and Dental Hygiene, financial aid offices and general accounting office, to track students after graduation over five years and to administer such a loan. With our current capacity of staffing and resources, we would not be able to develop and maintain such a program at the appropriate level.

The private banking and loan industry sector may be a more appropriate place in which to initiate such a program. With limited resources, the University would not be able to adequately administer the program as would a private corporation.

Thank you for the opportunity to testify on this bill.

000088