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WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON EDUCATION
ON
SENATE BILL NO. 2109

February 6, 2008

RELATING TO NURSING

Senate Bill No. 2109 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. Senate Bill No. 2109 appropriates \$100,000 from the general fund for the program.

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.