

LATE TESTIMONY

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON HIGHER EDUCATION
ON
HOUSE BILL NO. 1369

February 3, 2009

RELATING TO THE UNIVERSITY OF HAWAII

House Bill No. 1369 creates a Hawaii Medical Doctor Loan Program that would provide financial support to students who complete a State-approved medical school program at the University of Hawaii and who agree to practice for a minimum of six years in counties with a population of less than 500,000. The bill creates the Medical Doctor Loan Revolving Fund and the Medical Doctor Housing Stipend Revolving Fund to finance the program. House Bill No. 1369 appropriates unspecified sums from the general fund each year of the biennium for deposit into the two revolving funds.

We are opposed to this bill. 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.