



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
February 2, 2010 at 2:00pm
by
MRC Greenwood
President, University of Hawaii System

HB 2670 – Relating to the University of Hawai'i

Chair Chang, Vice Chair Nakashima, and Members of the House Committee on Higher Education:

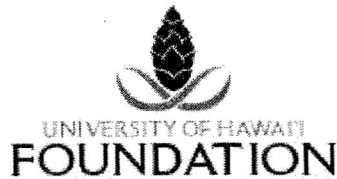
The University of Hawai'i System supports the intent of HB 2670. This measure removes the cap on the amount of expenditures that the UH Board of Regents can authorize from the University of Hawai'i Tuition and Fees Special Fund for deposit into the University of Hawai'i Foundation for the purposes of promoting alumni relations and generating private donations.

The collaboration between the University of Hawaii System and the University of Hawaii Foundation has a direct impact in improving and enhancing student access to higher education; supporting research projects whose findings which may result in critical healthcare, environmental and other key breakthroughs; and developing programs for our community throughout our 10 campuses is enhanced.

The University of Hawai'i Centennial Campaign, led by the University of Hawai'i Foundation, was launched to celebrate 100 years of public higher education, raised a grand total to \$336 million. This campaign officially ended on June 30, 2009 and concluded the most ambitious fundraising campaign to date in the state of Hawai'i.

As it is our understanding that HB2670 removes the cap but continues to allow the Tuition and Fees Special Fund to be used for the purpose of promoting alumni relations and generating private donations, the University supports the intent of HB 2670.

Thank you for the opportunity to testify.



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by
Donna Vuchinich
President & CEO, University of Hawai'i Foundation

HB 2670 – Relating to the University of Hawai'i

Chair Chang, Vice Chair Nakashima, and Members of the House Committee
on Higher Education:

The University of Hawai'i Foundation supports the passage of HB 2670.
Lifting the cap will enable the University to invest more in private
fundraising and alumni relations.

Now more than ever, raising private funds for the University is needed.
With more investment in fundraising, UH Foundation can expand
operations and raise additional funds. The UH Foundation has a proven
track record. Every \$1 expended on fundraising through the University of
Hawai'i Foundation has returned \$8 in private support. In turn, private
support has leveraged additional monies from other sources.

Through its Centennial Campaign completed June 30, 2009, the University
of Hawai'i Foundation raised \$336 million from more than 93,000 donors –
the largest private fundraising campaign in the history of our state. Of this
total, donors gave \$75 million in endowed gifts – funds that are renewable
and sustainable and provide a critical base of on-going support for students
and academic programs.

We appreciate the introduction of this bill and the opportunity to testify.

From: Noel J Kent [noelk@hawaii.edu]
Sent: Monday, February 01, 2010 2:29 PM
To: HEDtestimony
Subject: Testimony on HB2670 for Committee on Higher Education 2/2/10

I have had the good fortune of being a faculty member at the University of Hawai'i at Manoa for the past thirty-seven years.

Never in my experience have I seen UH Manoa more dysfunctional, faculty and students more demoralized, the top administrators more aloof from the day-to-day problems of those for whom UH is supposed to work for.

The present fiscal situation is of course partly responsible. But the crisis has been almost entirely borne by the students and those who work on campus. Cuts in departmental budgets, lecturers and classes have created severe dilemmas for many students who simply cannot obtain the courses they need to graduate. This has led some to leave Manoa and others to prolong their time in school. Faculty salary cuts make it more difficult to recruit and retain quality faculty. Manoa, the flagship campus, the only research university in the state, has been forced to take a disproportionate share of the cutbacks. Those of us on campus attribute this directly to the Chancellor, Virginia Hinshaw, who has not had the will nor the courage to fight for our interests.

At the same time that academic departments are being squeezed, we also see the top administration, which has been virtually unaccountable since the legislature granted autonomy, awarding themselves obscenely high salaries starting with the president's half million dollars (plus mansion and slush fund). Since autonomy we have seen a startling increase in highly paid administrators-vice-chancellors and vice presidents galore, in contrast to a leveling off in the numbers of students and faculty.

So I have come here today in opposition to any bills that allow the University administration any increase in autonomy and control over funds. Neither the UH administration, nor the U.H. Board of Regents, can be trusted to manage the university in a manner that is in the interest of our young people and the citizens of this state.

Noel J. Kent Professor

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 01, 2010 9:02 AM
To: HEDtestimony
Cc: victor.kobayashi@gmail.com
Subject: Testimony for HB2670 on 2/2/2010 2:00:00 PM

Testimony for HED 2/2/2010 2:00:00 PM HB2670

Conference room: 309
Testifier position: oppose
Testifier will be present: No
Submitted by: Victor KOBAYASHI
Organization: Individual
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Phone: 808-732-1360
E-mail: victor.kobayashi@gmail.com
Submitted on: 2/1/2010

Comments:

This Bill is proposed at a time when the University needs to keep all of its special funds to support instruction directly, including instructional support. Instruction is the basic program for which tuition and fees are retained by the University. If there are any surplus (perhaps in future years) beyond instruction, than that money is already authorized to be put into scholarship funds within the University, rather than used for UH Foundation, which already has large overhead costs.

This bill I think is an affront to the intelligence of both legislators and taxpayers who support the university's educational mission.

As indicated above, the use of UH Monies to support a private non-profit, in this case UHF would be declared illegal, if challenged in court, in my opinion. It is certainly a misuse of student's tuition and fees monies.

From: VICTOR KOBAYASHI [victor.kobayashi@gmail.com]
Sent: Sunday, January 31, 2010 9:33 AM
To: HEDtestimony
Subject: HB2670

This Bill is outrageous because it condones the use of student tuition and fees to support UHF Foundation, a private non-profit organization for services. The past cap was \$3,000,000, an amount that could provide more classes for students who pay the tuition and fees. The original intent of the tuition and fees special funds was to support the university directly for DIRECT services to the students who paid the tuition and fees.

UH Foundation has become one of the largest non-profit philanthropic agencies in the state, and it should assist the University without "taxing" students at the University. The University also provides UHF with space that could be used by official units of the University; instead, it has used tuition and fees special funds to lease off-campus buildings thus eroding the use of tuition and fees monies, all this with the approval of the Board of Regents in its open monthly meetings (any objections are not discussed except in closed "executive sessions.")

Because special funds are basically state monies, the bill condones "gifting" the UHF by providing government money.

I strongly oppose this bill, and consider it an erosion of monies currently needed by the University in order to meet its shortfalls, rather than to depend on University of Hawaii foundation as a way of "laundering" taxpayers and student monies for purposes that may not directly serve the current operations of the University System that includes community colleges.

I also protest passage of this bill as a long time contributor to UH Foundation, who would like greater fiscal integrity on the part of both the University and the UH Foundation. There is already great distrust of the administration of UH Manoa, and also the UH Foundation, including by many fellow members of the UH Alumni association and even some of the current deans at UH Manoa. Several potential donors to UHF have also expressed distrust of the current practices of the UH Foundation.

Victor Kobayashi
President, Faculty Retirees Association University of Hawaii Member, Advisory Board, Art, Kapiolani Community College Professor Emeritus Former Dean of Summer Session & Founding dean of Outreach College, University of Hawaii at Manoa