

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 2386

February 16, 2010

RELATING TO THE UNIVERSITY OF HAWAII CAPITAL IMPROVEMENTS
PROGRAM PROJECT ASSESSMENT SPECIAL FUND

Senate Bill No. 2386 creates the University of Hawaii capital improvements program project assessment special fund to defray costs associated with the administration of the University's capital improvements program projects. The fund would generate revenues through assessments made by the President on capital improvement program projects of the University.

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 uncertain if the fund is an appropriate means of financing for this activity and will be self-sustaining.