



THE JUDICIARY, STATE OF HAWAII

Testimony to the House Committee on Finance
Representative Marcus Oshiro, Chair
Representative Marilyn B. Lee, Vice Chair

Tuesday, February 15, 2011, 3:00 p.m.
State Capitol, Conference Room 308

by
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Policy and Planning Department Director

WRITTEN TESTIMONY ONLY

Bill No. and Title: House Bill No. 79, Relating to State Funds

Purpose: Repeals, terminates, or closes certain revolving and trust funds. Establishes provisions for automatic repeal of certain special and revolving funds beginning on 6/30/12.

Judiciary's Position:

The Judiciary strongly opposes Section 2 of House Bill No. 79 because this section indiscriminately repeals all special and revolving funds without any regard to their intent and purpose and whose resources, in the case of the Judiciary's eight special and revolving funds, provide services essential to Judiciary clients, as well as to the public.

Specifically, House Bill No. 79 would result in the repeals of the following eight Judiciary special and revolving funds: (1) Driver Education and Training Special Fund, (2) Spouse and Child Abuse Special Account, (3) Computer System Special Fund, (4) Probation Services Special Fund, (5) Indigent Legal Assistance Special Fund, (6) Parent Education Special Fund, (7) Court Interpreting Services Revolving Fund, and (8) Supreme Court Law Library Revolving Fund. Each of these funds supports important Judiciary programs and activities, that is, driver education programs directed at traffic law violators to reduce recidivism and promote traffic and public safety; social services' programs intended to reduce instances of domestic violence (DV) and to assist DV victims; technology programs and efforts to modernize and automate Judiciary processes and records, and continue enhanced public access to case



information; probation related programs and activities designed to ensure public safety through proper monitoring of adult offenders; organizations that provide legal services to indigent persons; programs to educate parents on the impact their separation will have on their children and to help separating parties avoid future litigious disputes; educational programs and activities relating to the training, screening, testing, and certification of court interpreters; and repair or replacement of damaged, lost, stolen, unreturned or outdated books and periodicals. Not only would the repeal of these special and revolving funds eliminate the Judiciary's ability to support these essential services, it would result in the layoff of up to 50 Judiciary employees - 35 authorized for the Driver Education Program, six authorized for adult client services' probation activities supported by the Probation Services Special Fund, and nine funded by the Computer System Special Fund.

It should be noted that Senate Bill No. 120 proposes, among other things, to eliminate the first four special funds mentioned above. The purpose, functions, and the number of individuals serviced by each of the four funds, and the impact on the community and society if these funds were repealed either through House Bill No. 79 or Senate Bill No. 120, are described by fund in the following paragraphs.

Driver Education and Training Special Fund

The Driver Education Program (DEP) is a statewide program with offices in Honolulu on O'ahu, Wailuku on Maui (also including Lanai and Molokai), Hilo and Kona on the Big Island, and in Lihue on Kaua'i. It provides statutorily mandated traffic education classes to individuals assigned by the court, and at the court's discretion, provides monitoring and education classes for any other traffic offenses.

Specifically, the program services referrals from court for those individuals convicted or adjudicated for certain traffic violations. By statute, the DEP provides classes for those persons convicted of drunk driving (Hawai'i Revised Statutes (HRS) 291E-61, Operating a vehicle under the influence of an intoxicant); underage drinking and driving (HRS 291E-63, Operating a vehicle after consuming a measureable amount of alcohol, persons under the age of 21); excessive speeding (HRS 291C-105); and child passenger restraint violations (HRS 291-111.5). In addition, general driver improvement classes are conducted for those persons adjudicated for any other traffic related violations where the court feels a defendant would benefit from re-education.

In 2009 and 2010, classes were held on all islands including Lanai and Moloka'i, with class size ranging from one student to over 40 students. During these two years, the DEP conducted a total of 14 classes for underage drinking drivers, 241 classes for drunk drivers, 105 driver improvement classes, and 104 classes for persons who were cited for driving with



improperly restrained children. In total, 5,549 and 5,350 students completed DEP classes in 2009 and 2010, respectively.

It is noted that DEP classes are reflective of just a part of the interaction with defendants. In the case of Driving Under the Influence (DUI) and Child Safety Restraint violations, classes are only required for first-time offenders, but repeat violators must also report to DEP staff to go over other court requirements. In the case of DUI offenses, the defendant must also get a substance abuse assessment which DEP personnel arrange. If the court issues a recommendation for treatment, the DEP staff will also assist in finding a program or an agency where the defendant can receive the appropriate services. This is done for all DUI court referrals and for all persons who have had their licenses revoked by the Administrative Driver License Revocation Office (ADLRO).

The DEP is the only offender-based program in the state that works with traffic violators to assist in complying with sentencing conditions through individual counseling and group education awareness classes for moving violation, child passenger safety restraint, and DUI related offenses. Where other driver education programs actually teach individuals how to drive, the DEP program is directed at traffic law violators to reduce recidivism and promote traffic and public safety programs. As indicated earlier, classes for first time DUI convictions, alcohol related zero tolerance juvenile offenses, and child passenger safety restraint violations are statutorily mandated. The DEP provides services on all islands including counseling, instruction, public information, and community education.

In conclusion, the DEP receives its sole support from the Driver Education and Training Special Fund. The abolishment of this fund would result in the end of all Judiciary driver education activities and an inability to comply with the law regarding having such classes, as well as result in the layoff of up to 35 permanent employees in the DEP (the final number dependent on the actual number of filled positions at the time of enactment).

Spouse and Child Abuse Special Account

The Spouse and Child Abuse Special Account (SPC) is used for staff programs, and for grants or purchase of service (POS) contracts that support or provide spouse or child abuse intervention or prevention activities. Since the creation of this special fund by the 1994 Legislature, SPC's resources have been used for a broad range of innovative programs relating to the victims and children of DV, treatment of juvenile sex offenders, enhanced supervision of DV offenders, and supervised child visitation. Judges, staff, and others in the criminal and civil justice systems statewide have also received new training from national experts on DV, stalking, and the impact of violence on DV victims and their children.



In FY 2010, SPC resources supported supervised child visitation and exchange services to court referred families, interventions for juveniles involved in DV, services to victims of intimate partner violence and counseling for the children exposed to the violence, and assistance to victims with filing for temporary restraining orders. Special fund support also allowed judges and staff to participate in training on a range of topics focused on DV and child abuse.

Presently, SPC funds are used to contract with the following private, non-profit organizations, which are listed by island with approximate number of clients served:

Domestic Violence Action Center (O'ahu)	50
Child and Family Service (O'ahu)	30
Child and Family Service (Hawai'i)	50
Parents and Children Together/Family Peace Center (O'ahu)	75
Parents and Children Together/Family Visitation Center (O'ahu)	25
Island of Kauai YWCA (Kaua'i)	25
Island of Hawaii YMCA (Hawai'i)	<u>30</u>
Total Number of Clients	285

Services purchased include providing outreach, lethality and risk assessments, safety planning, and advocacy and support services to victims of DV (including assistance in the preparation of temporary restraining orders and accompaniment of victims to court hearings). Victims are also educated about the criminal and civil justice system. Services to victims focus on ensuring that they are aware of the options and supporting choices that will provide safety for themselves and their children.

Funds from the SPC are also used to fund supervised child visitation services on the islands of O'ahu, Hawai'i and Kaua'i. Without such services, non-custodial parents would not have access to their children, as the majority of these court ordered referrals involve temporary restraining orders or orders of protection, which prohibit contact except for supervised visitation. Also, adolescents who are referred to the family courts for domestic abuse of a family member or intimate partner are provided with specialized services designed to break the cycle of violence. Other family members are also involved in the intervention services, along with the adolescent. In addition, the SPC continues to provide funds to educate judges and staff about DV and child abuse which is critical in dealing with the issues in this area.

The SPC enables the Judiciary to develop and maintain a proactive stance in responding to DV and child abuse and neglect in Hawai'i, and maintain its commitment to use fund resources to ensure the safety and well-being of DV victims and other family members, as well



as abused and neglected children in the community. Abolishment of the SPC would end an important resource supporting this commitment.

Judiciary Computer System Special Fund

HRS Section 601-3.7 established the Judiciary Computer System Special Fund (CSSF) which is used for: (1) consulting and other related fee and expenses in the selection, implementation, programming, and subsequent upgrades for a statewide Judiciary computer system; (2) purchase of hardware and related software for the Judiciary computer system; (3) other expenses relating to new technology in traffic enforcement, criminal, civil, family and appellate case processing and management, jury management, and including operations and maintenance; and (4) funding for all Judiciary Information Management System (JIMS) project and operational expenses, including the salaries of the temporary JIMS Project Manager and seven temporary support staff. CSSF also provides the salary for the permanently authorized Judiciary webmaster which is organizationally under the Communications and Community Relations Office.

The repeal of the CSSF would have an immediate, critical impact not only on current operational support and technical maintenance, but also on the long term goals of the Judiciary, especially in the JIMS area. The JIMS project scope is broad and far-reaching, and its implementation roadmap can be divided into three categories of projects, that is, delivered solutions, modules currently in development, and modules planned for implementation.

1. Delivered JIMS solutions

A. Traffic

- 1) Description: Statewide traffic case management system used at all district court locations and the ADLRO.
- 2) Stakeholders: The public, including media, government attorneys, and the private bar, law enforcement, and state and county agencies such as the Department of Transportation and the Department of Motor Vehicles.
- 3) Benefits: JIMS Traffic has enabled public online access to traffic cases, online payment for traffic judgments, automated interfaces with the Judiciary collections agency (delinquent judgments are sent to the contracted collection agency and payments are received electronically), electronic bench warrant delivery to law enforcement, expanded and improved interfaces with law enforcement and other state/county agencies, and improved data sharing through the availability of scanned documents. In 2010, 36,061 payment transactions from the public were by electronic means, either over the internet or by touchtone telephone. Fifty-five percent of active traffic bench warrants are in electronic format, allowing



for more economic storage in electronic format and speedy, statewide sharing of warrant data.

B. Jury

- 1) Description: Statewide jury management system used for all jury trials, including summons and excuse processing, jury pool management, and juror fee payment processing.
- 2) Stakeholders: The public, jurors and potential jurors, attorneys, and litigants.
- 3) Benefits: JIMS Jury has enabled standardization of statewide jury procedures, automation of manual tasks, improved juror fee payment processing and reporting, and up to date juror and jury duty information via the internet. Since launching the eJuror website on December 15, 2010, more than 11,000 visits have been made online.

C. Appellate / eFiling

- 1) Description: Statewide appellate case management system used by the Hawai'i Supreme Court and the Intermediate Court of Appeals.
- 2) Stakeholders: The public, including media, government attorneys, the private bar, and pro se litigants in appellate cases.
- 3) Benefits: JIMS Appellate has enabled public online access to appellate cases, online payment for appellate filing fees, nearly 24 hours a day access to electronic filing, electronic service, and improved data sharing through the availability of scanned documents and online case management tools for efilers. Since its inception on September 27, 2010, more than 1,500 attorneys have access to the Judiciary's eFiling website and more than 8,000 documents in appellate cases have been filed using this new capability.

2. Module in development

A. Criminal

- 1) Description: Statewide criminal case management used at all district courts, family courts, and circuit courts.
- 2) Stakeholders: The public, including media, government attorneys and the private bar, law enforcement, and state and county agencies such as the Hawai'i Criminal Justice Data Center under the Attorney General's Office.
- 3) Benefits: JIMS Criminal will enable public online access to criminal cases, online payment for criminal judgments, automated interfaces with the Judiciary collections agency (delinquent judgments are sent to



contracted collection agency and payments received electronically), expanded or improved interfaces with law enforcement and other state/county agencies, electronic bench warrant delivery to law enforcement, improved data sharing through the availability of scanned documents, and electronic filing.

3. *Planned modules*

A. Civil

- 1) Description: Statewide civil case management used at all district courts, family courts, and circuit courts.
- 2) Stakeholders: The public, including the media, attorneys, and litigants.
- 3) Benefits: JIMS Civil will enable improved public online access to civil cases, improved data sharing through the availability of scanned documents, and electronic filing.

B. Family

- 1) Description: Statewide family case management used at all family courts.
- 2) Stakeholders: The public, including the media, attorneys, and litigants.
- 3) Benefits: JIMS Family will enable improved public online access to family cases (public information only; no juvenile or confidential information will be available online), improved data sharing through the availability of scanned documents, and electronic filing.

C. Probation

- 1) Description: Statewide integration of probation case management and criminal/traffic crime case management.
- 2) Stakeholders: The public, including the media, attorneys and probationers, law enforcement, and the criminal justice community overall.
- 3) Benefits: JIMS Probation will enable improved reporting and management for all parties on probation.

Should the CSSF no longer be available beginning in FY 2012, all project implementation and software development activities would be terminated (i.e., the Criminal project currently in progress would terminate and the planned modules for Civil, Family, and Probation would be postponed indefinitely). Operational support requirements for delivered JIMS Traffic, Jury, and Appellate modules would be provided by the JIMS Production Support staff; however, software fixes and infrastructure support would no longer be available. Licenses (e.g., Oracle database, General Ledger Oracle Financials, FileNet electronic document management, and Kofax scanning) required for maintaining the JIMS solutions already delivered



will expire during FY 2012. In addition, those CSSF-funded contracts, such as the statewide Wide Area Network that support the Judiciary, would require a different funding source.

The potential negative impact on stakeholders currently benefitting from JIMS solutions would include, but not be limited to, the Judiciary's participation in the Hawai'i Criminal Justice Data Center's Hawai'i Integrated Justice Information Sharing project; the Judiciary's statewide eBench Warrant project with county police departments, Department of Public Safety, and Department of Transportation; and the traffic abstract projects with Hawai'i Information Consortium.

Repeal of the CSSF would also directly impact public online access to traffic and appellate cases via eCourt Kokua and through electronic filing. Public-facing case information and electronic filing systems may be maintained over the short-term by the Judiciary Information and Technology and Production Support groups, but long-term fixes, planning for enhanced data storage, and any requested feature upgrades would end. In other words, any future hardware acquisition or software defect which currently requires JIMS support and resources would be unavailable and potentially eliminate public access to these existing applications.

In closing, the repeal of the CSSF would have an extremely negative impact on traffic and appellate case management, as well as jury management. Elimination of CSSF monies would impede Judiciary plans to improve technical security, record retention, and public access to case information and would put an immediate end to all projects currently underway.

Probation Services Special Fund

The Probation Services Special Fund (PSSF) is established by HRS Section 706-649. Its resources are used by the Adult Client Services Branch (ACS) to support adult probation services and six staff positions, statewide, including an Interstate Compact Coordinator who handles all Interstate Compact matters relating to the transfer of probationers and parolees between states; and a Social Worker, Clerk-Typist, and Social Service Assistants to assist with the probation monitoring of low-risk offenders, including the collection of restitution from offenders on the neighbor islands. Staff supported by the PSSF help to refer offenders for community service work, monitor restitution collection, and perform client drug tests. They also assist probation officers by collecting DNA samples, and monitoring financial restitution payments and compliance with the treatment terms of probation. This allows ACS staff to concentrate on higher risk offenders who require more supervision and attention for effective treatment and rehabilitation.

The PSSF also covers costs incurred for risk assessment instruments for all offenders, including sex offenders and DV offenders. CYZAP, the Statewide criminal justice assessment



management system, receives PSSF resources, as does Caseload Explorer, the probation case management information system. Presently, ACS oversees 23,084 cases, all of which are entered into Caseload Explorer. CYZAP provides the assessment information to determine the risk and criminogenic needs of offenders to help determine the best method of probation monitoring to reduce recidivism.

The Interstate Compact Coordinator is responsible for the daily activities of the Interstate Compact for Adult Offender Supervision (ICAO). This individual oversees the transfer of probationers and parolees between Hawai'i and the mainland, and is responsible for reviewing incoming and outgoing cases, providing supervision for the cases, resolving any issues with mainland states, responding to inquiries regarding ICAO matters, and overseeing the Interstate Compact Offender Tracking System. ICAO matters are time-sensitive and need quick, timely processing to ensure Hawai'i fulfills its obligations under Compact rules. Presently, 178 probationers and 46 parolees are supervised under the ICAO program. It is imperative to have someone overseeing the transfer of felons between states, especially when transfers involve probationers who have previously been convicted of violent offenses. Having a full-time coordinator also benefits public safety by freeing up ACS probation officers to fulfill their essential monitoring activities for their assigned probationers. (Previously, ICAO duties were shared among ACS staff in addition to their regular probationer caseload.) The repeal of the PSSF would effectively end the Judiciary's effort to focus full-time efforts on essential ICAO monitoring activities.

Besides the effect on essential ICAO monitoring activities, the repeal of the PSSF, the loss of PSSF funding, and the corresponding layoffs of staff would result in the loss of probationer monitoring services and reduce the Judiciary's ability to collect restitution payments. Annual expenses of nearly \$200,000 for probationer assessment and case management, which are essential to ACS operations, would have to be sustained through another funding source. This would likely mean the use of already scarce general fund resources to ensure the availability of these important probation tools. The ACS' ability to provide quality monitoring of offenders' compliance to probation conditions would be reduced, thereby adversely affecting public safety.

The services provided by the other four funds (that is, Indigent Legal Assistance Fund, Parent Education Special Fund, Court Interpreting Services Revolving Fund, and the Supreme Court Law Library Revolving Fund) are just as important to the Judiciary and its clients, the courts, the public, and the community overall. However, their carry forward cash balances at the end of each fiscal year are relatively minimal compared to the four other special funds so their repeal would provide very little in terms of general fund resources as well as have a significant negative impact on the activities maintained by these funds.



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The Judiciary understands that the intent of House Bill No. 79 is to try to help resolve the State's significant funding shortfalls and projected budget deficit, and to try to get more transparency and accountability to the Legislature in the use of funds by State agencies, departments, and organizations. However, we must emphasize in the strongest terms that the Judiciary's special and revolving funds provide the means to sustain and improve client services and positively enhance the provision of Judiciary services to the public, and that their abolishment would effectively end these important efforts and result in a serious negative impact to Judiciary operations, to its clients needing court services, to the community in general, and to up to 50 of its employees. Therefore, the Judiciary respectfully requests that Section 2 be deleted from further consideration in House Bill No. 79.

Thank you for the opportunity to testify on House Bill No. 79.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2011**

ON THE FOLLOWING MEASURE:

H.B. NO. 79, RELATING TO STATE FUNDS.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, February 15, 2011 TIME: 3:00 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): David M. Louie, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chair Oshiro and Members of the Committee:

The Department of the Attorney General ("Department") does not object to the repeal, termination, or closure of the revolving and trust funds in sections 4, 5, 6, 7, and 8 of this bill. However, the Department opposes section 2 of this bill because of its apparent impact on the special and revolving funds of the Department.

Introduction

H.B. No. 79 repeals, terminates, or closes certain revolving and trust funds as identified by the Legislative Auditor. In addition, this bill establishes provisions for the automatic repeal of certain special and revolving funds beginning June 30, 2012.

The Department offers our comments on the provisions providing for the automatic repeal of certain special and revolving funds beginning June 30, 2012, given: (1) the ambiguity of the scope of the automatic repeal provisions; (2) the decision of the Hawaii Supreme Court in Hawaii Insurers Council v. Lingle, 120 Haw. 51, 201 P.3d 564 (2008) ("Hawaii Insurers Council"); (3) the adverse impact on the special and revolving funds of the Department; and (4) other factors which

impact the special and revolving funds subjected to the automatic repeal provisions of this bill.

I. The Scope of the Repeal of Certain Special and Revolving Funds Is Confusing

Section 2 of the bill, among other things, establishes the criteria for specifying the special and revolving funds that are subject to the bill's automatic repeal provisions.

Section 2 states in pertinent part:

"§37- Special and revolving funds; automatic repeal. (a) Unless otherwise provided by the legislature in any law authorizing the establishment of any special or revolving fund as the means of financing:

- (1) All special and revolving funds in existence as of June 30, 2010, shall be repealed on June 30, 2012; and
- (2) All special and revolving funds created on or after July 1, 2011, shall have an effective duration of not more than five consecutive fiscal years;

provided that prior to the repeal of any special or revolving fund, the administrator of the fund shall deposit to the credit of the state general fund, all unencumbered and unexpended balances remaining in the fund.

H.B. No. 79, page 2, lines 7-19.

We find the criteria for identifying the special and revolving funds subject to the bill's automatic repeal provisions ambiguous and confusing (all special and revolving funds in existence as of June 30, 2010, shall be repealed as of June 30, 2012, "[u]nless otherwise provided by the legislature in any law authorizing the establishment of any special or revolving fund as the means of financing").

It is unclear how a prior legislature could "otherwise provide" that a special or revolving fund created before June 30, 2010, would not be repealed by this bill. In addition, "absent a constitutional restriction on legislative power, one legislature cannot restrict or limit the right of the succeeding legislature to exercise the power of legislation." State ex rel. Stenberg v. Moore, 544 N.W.2d 344,349 (Neb. 1996).

We suggest that the criteria for identifying the special and revolving funds subject to the bill's automatic repeal provisions be revised to clearly express the Legislature's intent in this regard.

II. The Legislature's Ability to Transfer Non-General Funds to the General Fund Under Hawaii Insurers Council

This bill provides that before a special or revolving fund is repealed, the unencumbered and unexpended balance remaining in such fund shall be deposited into the general fund. Under Hawaii Insurers Council, special fund moneys derived from regulatory fees that are imposed by an administrative agency pursuant to authority delegated to the agency by the Legislature cannot be transferred to the general fund. The Hawaii Supreme Court determined that this type of transfer violated the separation of powers doctrine because administrative fees and assessments imposed by an administrative agency can only be used

for the purpose of providing services to the persons or entities paying such fees. Any other use of the fees would constitute a tax, which can only be imposed by the Legislature.

The source of the money comprising the special fund is important, as it may be determinative as to whether the source of the money is a regulatory fee, a tax, or from a different source. The first prong of the regulatory fee test used by the Hawaii Supreme Court in the Hawaii Insurers Council case is whether the regulatory agency assessed the fee via an administrative rule. If so, the charge is more likely to be regulatory fee than if the money was assessed via a statute enacted by the Legislature. If the fee is statutorily set by the Legislature, the charge is more likely to be a tax. Generally, the Hawaii Insurers Council case does not prohibit the transfer of moneys that are derived from fees set by statute.

The second prong of the analysis is to determine whether the moneys collected by a special or revolving fund are service or user fees, rather than regulatory fees. For example, there may be filing fees that are required for a registration renewal or parking fees for a state parking facility. Even if these fees were imposed by an administrative rule, an analysis would have to be performed to determine if such fees would be retained by the special fund or could be transferred to the general fund. The Hawaii Insurers Council case does not prohibit service or user fees from being transferred to the general fund.

Likewise, the purpose of the transfer is important. The third prong of the foregoing regulatory fee test is whether the moneys are used for a public purpose or to defray regulatory expenses. If the subject moneys are used for a public purpose,

then such moneys are more likely to be taxes which may be transferred to the general fund.

Consequently, in distinguishing a regulatory fee from a tax, all of these factors have to be taken into consideration and balanced against a careful analysis of the facts and circumstances of the particular situation.

This bill as currently drafted, however, takes a blanket approach in transferring moneys from the various non-general funds to the general fund without consideration of the Hawaii Insurers Council case or other applicable governing provisions. The repeal of the non-general funds listed in this bill would cause the revenues collected by these non-general funds, which may include regulatory fees, to be deposited into the general fund. This may subject the proposed transfers to challenge.

We suggest that the discrete components of the specified non-general funds listed in this bill be reviewed to determine whether moneys derived from such components may be transferred to the general fund.

III. This Bill Would Adversely Impact the Special and Revolving Funds of the Department

The special and revolving funds of the Department appear to be adversely impacted by section 2 of this bill. The Department's special and revolving funds play an integral role in protecting the health, safety, and welfare of the people of the State of Hawaii.

A. Tobacco Enforcement.

1. Tobacco Enforcement Special Fund

The repeal of the Tobacco Enforcement Special Fund, section 28-15, Hawaii Revised Statutes (HRS), would have the unintended consequence of unraveling the regulatory and diligent

enforcement structure that has been created to maximize the State's receipt of millions of dollars in moneys from the Tobacco Master Settlement Agreement (MSA) and cigarette tax dollars. In addition, the Department of the Attorney General is concerned there may be an argument that elimination of the Tobacco Enforcement Special Fund and Cigarette Tax Stamp Administrative Special Fund may be subject to challenge under Hawaii Insurers Council.

First, a significant portion of the Tobacco Enforcement Special fund is funded by the cigarette tax stamp regulatory fee in accordance with the provisions of section 245-26, HRS. In reviewing the context of the use of the funds from the Tobacco Enforcement Special Fund we note that courts in distinguishing a regulatory fee from a tax, "have tended . . . to emphasize the revenue's ultimate use, asking whether it provides a general benefit to the public, of a sort often financed by a general tax, or whether it provides more narrow benefits to regulated companies or defrays the agency's costs of regulation." Section 28-15, HRS, which establishes the Tobacco Enforcement Special Fund, directs that the moneys from the special fund shall be used for administering, operating, monitoring, and ensuring compliance with and enforcement of:

- (1) The Master Settlement Agreement as defined in chapter 675 and any other statutes or programs relating to that agreement;
- (2) Chapter 675;
- (3) Tobacco prevention programs;

- (4) The cigarette tax stamp as defined in chapter 245 and any other statutes or programs relating to that chapter;
- (5) Chapter 245;
- (6) Chapter 486P and any other statutes or programs relating to that chapter; and
- (7) Any other requirement deemed necessary to carry out the purposes of the fund.

The moneys from the cigarette tax stamp regulatory fee are used for inspections, investigation, and criminal prosecution of violations of chapter 245, HRS, related to the taxing of cigarettes and other tobacco products.

Since the implementation of the tax stamp program on January 1, 2001, cigarette tax revenues have increased significantly. Cigarette tax revenues increased from \$40,049,539 in fiscal year (FY) 1999-2000 to \$51,739,469 in FY 2000-2001 (an increase of \$11,689,930 or approximately 29 per cent) even though the tax stamp program was in effect for only half of FY 2000-2001 and effective enforcement began at the retail level only three months before the end of FY 2000-2001. In FY 2009-2010, cigarette tax revenues increased by \$15,493,164 (approximately 12.9 per cent) over FY 2008-2009.

Elimination of the Tobacco Enforcement Special Fund will bring an end to the effective enforcement of the regulatory structure that has been built over the past decade. The Tobacco Enforcement Special Fund provides the funding, which allows the Department of the Attorney General to conduct inspections, including unannounced inspections, of wholesalers and

distributors, retail establishments, and cigarette vending machines for compliance with the Cigarette Tax and Tobacco Tax Law. Approximately 1,542 retailers hold Retail Tobacco Permits: 964 on Oahu, 210 on Hawaii, 190 on Maui, 89 on Kauai, 14 on Molokai, 9 on Lanai, and 66 mobile vendors. Inspections have been conducted on all of these islands. These inspections have resulted in over 160 felony arrests, the seizure of 2.3 million illegal cigarettes, and criminal fines of almost \$200,000.

Second, elimination of the Tobacco Enforcement Special Fund will affect the State's ability to continue to receive moneys from the MSA if the State is unable to diligently enforce chapter 675, HRS, and the terms of the MSA. The persistent diligent enforcement of the MSA is essential to the State's continued receipt of MSA moneys. The State is currently involved in a nation-wide arbitration to determine whether individual states diligently enforced their respective model statutes for the year 2003. Hawaii is unique amongst the states in that the entire regulatory process surrounding MSA compliance rests with the Department of the Attorney General. Failure to diligently enforce the Tobacco Liability Act may result in a state losing a significant portion if not all of its Master Settlement Agreement payments.

Third, the total revenues received by the State due to aggressive tobacco enforcement in FY 2009-2010 totaled \$170,848,832 (\$119,926,741 in cigarette taxes and \$50,922,091 in MSA payments). We believe that this represents a significant return on the moneys invested in the program.

Fourth, the Tobacco Enforcement Special Fund is self-sustaining and meets all of the statutory requirements to establish and maintain a special fund as set forth in section 37-52.3, HRS. The Tobacco Enforcement Special Fund serves the

purpose for which it was established. The use of the moneys reflects a clear nexus between the enforcement of the MSA, chapter 675, chapter 486P, HRS, and the cigarette tax requirements of chapter 245, HRS, and the moneys are not used primarily as a means to provide the program or users with an automatic means of support which is removed from the normal budget and appropriation process.

Fifth, pursuant to section 28-15(c), HRS, all unencumbered and unexpended moneys in excess of \$500,000 remaining on balance in the Tobacco Enforcement Special Fund at the end of each fiscal year lapses to the credit of the State's general fund.

2. Cigarette Tax Stamp Administrative Special Fund

While the Cigarette Tax Stamp Administrative Special Fund, section 245-41.5, HRS, is under the jurisdiction of the Department of Taxation, it serves an essential role in the Department's efforts to collect all tobacco taxes due and owing to the State.

At present, the Cigarette Tax Stamp Administrative Special Fund is funded by a regulatory fee, which is authorized by section 245-26, HRS (hereinafter the cigarette tax stamp regulatory fee).

The cigarette tax stamp regulatory fee is a regulatory fee that is imposed in addition to the cigarette tax (at the incumbent rate of 15 cents per cigarette), which is paid for by those who are licensed by the State of Hawaii as wholesalers and dealers of cigarettes and who are also authorized to purchase and apply cigarette tax stamps.

Tax stamps have proven to be an effective method of collecting cigarette taxes. The application of a stamp printed, manufactured, or made by authority of the Department of Taxation

when placed on the bottom of a pack of cigarettes indicates that the tax on the cigarettes has been paid.

Prior to the imposition of the tax stamping program (in FY 1999-2000) cigarette taxes of \$40 million dollars were collected on approximately 800 million cigarettes at a tax rate of 5 cents per stick. With tax stamping, which began on January 1, 2001, tax revenues increased to \$51 million at the end of FY 2000-2001. In FY 2001-2002 cigarette tax revenues increased to \$62 million or 1.2 billion cigarettes at the 5 cents per stick tax rate. In FY 2009-2010, cigarette tax revenues, at the tax rate of 13 cents per stick, totaled \$119,926,741. Simply put, the tax stamps are an integral part of the State obtaining a full measure of cigarette taxes.

3. Hawaii Tobacco Settlement Special Fund

Similarly, while the Hawaii Tobacco Settlement Special Fund, section 328L-2, HRS, is under the jurisdiction of the Department of Health, it plays an integral role in funding the Department's tobacco enforcement efforts.

The Hawaii Tobacco Settlement Special Fund allocates to various State purposes the tobacco settlement moneys received by the State from the major tobacco manufacturers under the MSA.

Under the distribution of the tobacco settlement moneys, the Department receives \$350,000 to be used for tobacco enforcement actions funded through the Tobacco Enforcement Special Fund. The repeal of the Hawaii Tobacco Settlement Special Fund would cause the Department to lose this funding to pursue cigarette law violations.

B. Medicaid Investigations Recovery Fund, Section 28-91.5, HRS.

We object to this bill's proposed repeal of the Medicaid Investigations Recovery Fund (MIRF) because repeal of the MIRF

would cast grave doubt upon the Medicaid Fraud Control Unit's (MFCU) ability to carry out our federal mandate under 42 U.S.C. section 1396(b) and 42 C.F.R. section 1007. Furthermore, funding for the State's Medicaid Program could be in jeopardy because the maintenance of a viable MFCU is a precondition to the federal Medicaid grant under 42 U.S.C. section 1396, which funds our Medicaid Programs.

The MIRF is distinct from other funds that would be impacted by this bill because the MIRF is comprised of penalties and costs specifically designated to the MFCU as a by-product of federal and state civil fraud settlements. None of the money comes from assessments or fees. None of the money is designated for *beneficiaries* of any program. All of the money deposited into the MIRF comes from civil settlements and the money is utilized solely to enable MFCU to carry out its federal mandates.

The state general fund already receives the lion's share of civil settlements obtained by the MFCU. In addition to the penalties and costs placed in the MIRF, the Department of Human Services (DHS) receives full restitution for fraud committed against the Medicaid Program. DHS also receives its pro-rata share of either double or triple damages in most cases. As such, DHS is made more than whole through its portion of the settlements. The money that the MFCU recovers on behalf of DHS is deposited into the state general fund. Over the past five fiscal years, the MFCU has recovered more than \$4,000,000, of which more than half has been deposited into the State general fund.

As for the funds placed into the MIRF, they are utilized solely to fund the MFCU's investigations and prosecutions. There is also a 75 percent federal match for the money in the

MIRF, and that match may be in jeopardy if the MIRF is not maintained. No general fund moneys are utilized by the MFCU. The MFCU is a self-sustaining entity reliant upon settlements that result from fraud cases, mostly national cases in origin, but occasionally locally generated cases.

To subject the MFCU to the uncertainties of being funded by general funds could seriously jeopardize the MFCU, particularly if it were determined that fraud investigations and prosecutions were no longer an administrative or legislative priority. More importantly, without the MIRF, the State may not be able to fund the 25 per cent match to sustain the operations of the MFCU. The MFCU screens more than 1,200 complaints of abuse and financial exploitation annually. Approximately 10 per cent of those complaints result in investigations, and 10 per cent of those in prosecutions. We also field complaints directly from MedQuest DHS that involve provider fraud. These criminal cases require exhaustive investigation to bring to court. Additionally, we partake in more than 60 national fraud cases, some of which require the attorneys to monitor and engage in substantial civil discovery, complaint drafting, monitoring, and motions practice.

We note that in the past, the Legislature has transferred moneys from the MIRF and deposited it into the general fund. Sufficient funds have always been left in the MIRF to cover 25 percent of the MFCU's operating costs for the following two fiscal years. Thus, the federal match is not substantially jeopardized. Nor is the MFCU's viability compromised. Over the most recent five fiscal years, more than \$4,500,000 has been transferred to the general fund from the MIRF. We respectfully request that the Legislature not repeal the MIRF because it portends dire consequences for the operations of the MFCU and

the federal contribution to the State of Hawaii's Medicaid Program.

C. Solicitation of Funds for Charitable Purposes Special Fund, Section 467B-15, HRS.

We object to this bill's proposed repeal of the Solicitation of Funds for Charitable Purposes Special Fund.

The purpose of the Solicitation of Funds for Charitable Purposes Special Fund is to provide a source of funding to provide regulatory oversight over charities and professional fund raisers operating within the State. It is funded by regulatory fees paid by all charities and professional fund raisers operating within the State, with certain exceptions.

The Solicitation of Funds for Charitable Purposes Special Fund currently funds two deputy attorney general positions and one legal assistant position, and funds 50 percent of the division supervisor's compensation. All of these positions are devoted to the Department's common law and statutory oversight functions over public charities, private foundations and charitable trusts.¹ This fund is also used to maintain and operate Hawaii's Internet based registration system for charities that must register under section 467B-2.1, HRS. See www.ehawaii.gov/charity and www.efile.form990.org

The repeal of this fund would effectively eliminate these positions and statutory functions and duties, unless corresponding general funding is made available to the Department to fund these positions and functions. Such elimination would be regrettable because, since 2007, Hawaii has

¹ These statutes include chapters 323D, 414D, 517E, 467B, and section 431:1-204(c)(1)(C), HRS, and the Federal Telemarketing Sales Rule.

gone from having amongst the most "lax" charitable oversight program², to one of the most effective, efficient, and publicly accessible registration laws and oversight functions.

Additionally, the Department is concerned there may be an argument that elimination of the Solicitation of Funds for Charitable Purposes Special Fund may be subject to challenge under the Hawaii Insurers Council case.

D. Criminal Forfeiture Fund, Section 712A-16, HRS.

We object to this bill's proposed repeal of the Criminal Forfeiture Fund, a revolving fund.

Chapter 712A, HRS, provides the statutory framework for administrative forfeitures and judicial forfeitures against individuals and property. Chapter 712A also provides for forfeitures of substitute assets from convicted criminals where the assets originally subject to forfeiture have been secreted or otherwise dissipated or disposed of.

Chapter 712A also significantly expands the number and kinds of offenses which give rise to forfeiture. At the same time, it provides explicit procedural and substantive rights to claimants, especially innocent owners. The Legislature also placed a ceiling of \$3,000,000 per year on the amount of forfeited property, which could be retained by law enforcement, with any excess going into the state general fund.

Chapter 712A provides for the forfeiture of property used or acquired in connection with the commission of certain criminal offenses and for the distribution of the property, or its proceeds, to law enforcement agencies for law enforcement purposes.

² See "Hawaii's Rules Lax on Oversight of Charities," Honolulu Advertiser, September 16, 2007.

Perhaps the most important advantage afforded by chapter 712A is a provision by which forfeiture of personal property worth less than \$100,000, or forfeiture of any vehicle or conveyance, regardless of value, is administratively processed. Previously, all forfeitures were handled through judicial proceedings, resulting in the consumption of judicial resources even where the forfeiture was uncontested.

Forfeiture is particularly useful in attacking highly organized criminal enterprises where obtaining convictions - without forfeiture of assets - means only mandatory retirement for the organization's leaders and promotion for the subordinates with no impact on the activities of the organization itself.

A secondary benefit of forfeiture laws is that forfeited property, or the proceeds of its sale, has been turned over to law enforcement and is used to fight against crime. While the purpose of forfeiture and the evaluation of a forfeiture law or program should never be based solely on the generation of revenue, it is only fitting that forfeited property be used to combat those who seek to profit from crime.

Pursuant to section 712A-10, HRS, the Department processes petitions for administrative forfeiture of personal property valued at less than \$100,000, or of any vehicle or conveyance regardless of value, but does not handle forfeiture of real property. A prosecuting attorney commences judicial forfeiture proceedings concerning real property or personal property valued in excess of \$100,000 by filing a petition for forfeiture in the circuit court. The acceptance of any forfeiture petition regardless of value differs from the federal forfeiture program, which has a dollar amount threshold. In a case initiated as an administrative forfeiture, a person who owns or otherwise has a

legal interest in seized property can obtain judicial review of a case by timely filing a claim and bond with the Department.

Pursuant to section 712A-16, HRS, the Department distributes administratively or judicially forfeited property, and the sale proceeds thereof, to law enforcement agencies and other local or state government entities for law enforcement purposes. Forfeited currency and the proceeds of sales of forfeited property are distributed according to a specific formula. The agency that seized the property and the prosecutor that filed the petition each received a 25 per cent share. The remaining 50 per cent is deposited into the Criminal Forfeiture Fund administered by the Department. The Department expends moneys from the Criminal Forfeiture Fund to defray administrative expenses incurred in processing forfeiture cases, to maintain and store property seized, to train law enforcement officers, to provide grants to law enforcement agencies, or to accomplish other purposes more specifically outlined in section 712A-16(4), HRS.

IV. Other Factors Should be Considered

A. Federal Law May Require that Federal Funds be Segregated and be Used Only for the Purposes Specified by the Federal Government.

This bill appears to propose that all special and revolving funds in existence as of June 30, 2010 be repealed as of June 30, 2012. However, this bill does not consider federal law which may restrict the use of federal moneys provided to the State.

For example, under federal law, and the federal grant agreements that the State has executed with the U.S. Department of Transportation and the Federal Aviation Administration,

moneys in the Airport Revenue Fund, which includes the federal grant moneys to be used for airport improvement purposes, must be segregated and can only be used for airport purposes.

Similarly, under federal law, the Wireless Enhanced 911 Fund which collects the 66-cent monthly surcharge imposed on wireless phone accounts, can only use this surcharge for the benefit of 911 callers. The 911 fund is essential to the timely delivery of emergency services by public safety personnel to E911 callers. The statewide E911 system annually receives and responds to over 1.2 million 911 calls.

B. The Repeal of a Special or Revolving Fund May Violate an Existing Contract.

An existing special or revolving fund may be serving as security for revenue bonds issued by a department. The repeal of the special or revolving fund would be a breach of one of the bond documents.

For example, under section 201H-8, HRS, a Housing Project Bond Special Fund and a Housing Loan Program Revenues Bond Special Fund is established for each housing project or system of housing projects for loan programs financed from the proceeds of bonds secured by a trust indenture. The repeal of these funds would be contrary to the trust indenture, which is a contract between the State and the holders who purchased the subject bonds. Under the trust indenture, the State agreed contractually to maintain these special funds as security for the bonds. Repeal of these special funds would be a breach of the trust indenture and subject the State to a lawsuit from the holders of the subject bonds for impairing the security of such bonds.

C. The Repeal of Special Funds May Adversely Impact the Issuance of Revenue Bonds.

Revenue bonds are bonds payable from the revenues, or user taxes, or any combination of both, of a public project. The department issuing such revenue bonds uses its special funds to collect the revenues for the bonds and to serve as security for the bonds. We note that the Department of Transportation has issued Airport Revenue Bonds, Harbors Revenue Bonds, and Highway Revenue Bonds to finance its capital improvements. The University of Hawaii has issued revenue bonds to finance facilities across its state-wide system. The Hawaii Housing Finance and Development Corporation has issued housing revenue bonds to finance the development of affordable housing projects.

The repeal of a special fund may have an adverse impact on a department. For example, the Hawaii Tobacco Settlement Special Fund allocates a portion of the tobacco settlement moneys to the University Revenue Undertakings Fund, section 304A-2167.5, HRS, to be used to pay debt service on revenue bonds issued to finance the University of Hawaii's Health and Wellness Center in Kakaako, Oahu, and to be used for operating expenses of the John A. Burns Medical School. We understand that this revenue source is essential for the University of Hawaii to remain in compliance with the debt covenants on the revenue bonds issued to finance its Health and Wellness Center.

D. The Repeal of a Special or Revolving Fund May Result in Adverse Tax Consequences

The transfer of moneys from certain special or revolving funds may result in adverse tax consequences because these funds were funded using tax exempt general obligation bonds. For example, the State Educational Facilities Improvement Special

Fund and the Works of Art Special Fund were funded by general obligation bonds. We suggest that bond counsel be consulted before these types of funds are repealed.

E. Depositing Moneys Donated to a Special or Revolving Fund May Be Inconsistent with a Donor's Wishes

We note that moneys donated to non-general funds may be encumbered by conditions imposed by the donors of such moneys. Failure to comply with such restrictions may result in a challenge to the bill's proposed transfer of such funds to the general fund or the State having to return such donations to the donors.

F. Section 23-12, HRS, Should be Amended to Have the State Auditor Periodically Review Special Funds, in Addition to Revolving and Trust Funds.

As you know, section 23-12, HRS, requires the State Auditor to review all existing revolving and trust funds every five years. We believe that one way to address the Legislature's concerns about existing special funds is to amend section 23-12 to include special funds as part of the State Auditor's review of funds.

V. Conclusion

We respectfully request that section 2 of this bill be deleted.

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
INTERIM DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 79

February 15, 2011

RELATING TO STATE FUNDS

House Bill No. 79 repeals certain special and revolving funds and transfers those fund balances to the State general fund. Additionally, all special and revolving funds in existence on June 30, 2010, will lapse on June 30, 2012, and all special and revolving funds created on or after July 1, 2011, will lapse after a five-year duration.

We support the general intent of periodically reviewing the various special and revolving funds. The State has a myriad of special funds and it is prudent fiscal practice to conduct reviews to ensure that these special funds' existence continue to be appropriate and warranted.

However, we also recognize that there is legitimate and rational basis or need for the existence of certain special and revolving funds. Therefore, we do not support the repeal of all special funds on June 30, 2012, or the automatic repeal of all special and revolving funds after a five-year duration.

We would also like to point out that Senate Bill No. 120 also proposes to repeal certain special and revolving funds and transfers those balances to the State general fund. Should Senate Bill No. 120 pass, it appears the need for systematic repeal of all special and revolving funds proposed in House Bill No. 79 may be diminished.

We defer to the affected departments with regard to their specific concerns and/or the current operational need or relevance to maintain their respective special and revolving funds.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Finance
February 15, 2011 at 3:00 p.m.
by
MRC Greenwood
President, University of Hawai'i

HB 79 – RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee and Members of the Committee:

Aloha. Thank you for your support for the University of Hawai'i and for the opportunity to provide testimony on this measure.

The University of Hawai'i strongly opposes this bill.

INTRODUCTION

The Legislature began granting the University flexibility in fiscal and operational matters through Acts 320 and 321, SLH 1986. Since that time, the Legislature has repeatedly extended the University's fiscal flexibility and control over University-generated resources, and the Legislature proposed and the people of the State approved a Constitutional amendment providing the University additional control over its internal affairs.

The University has used its fiscal flexibility responsibly to serve the public in an increasingly challenging environment. The University of Hawai'i today is a far different, and a better, university than it could have become without the ability to control its resources and invest strategically. An example of this is in our research enterprise, where the ability to retain and reinvest indirect overhead funds generated from our extramural contracts and grants has enabled us to grow this portion of our operations to \$452 million dollars in new awards in FY 2009-10. These are dollars the University is bringing into the State of Hawai'i, which are creating jobs. Also, with the uncertain financial and political situation in Congress, research and training revolving funds (RTRF) provide needed support to survive fluctuations in research funding and earmarks. We are already finding that some federal grants are not being renewed, and the University's RTRF funds will be needed to provide critical bridge funding.

Another example is in fundraising, where our ability to retain internally generated funds has enabled more private fundraising. The University successfully completed its

Centennial Campaign, which raised \$282 million. More than 90,000 donors gave to the campaign, 50,000 of whom were new donors. The University is currently planning a new campaign with even greater goals in the coming years.

Another critical example is that the University's ability to manage our tuition funds has enabled us to provide access to students, regardless of their ability to pay. Having the UH Tuition and Fees Special Fund has afforded the University the ability to increase financial aid to students with documented financial need so they can attend college at any campus of the UH system. In the 1980's and 1990's, financial assistance was granted in the form of tuition waivers, which gave aid to a limited number of students up to the value of the price of tuition only. The waivers did not take into consideration or cover other educational costs, such as the rising price of textbooks and supplies, housing, transportation, and other living costs. Therefore, many students with financial needs were not able to get aid to cover their legitimate costs as students. Furthermore, the tuition waivers lowered the overall price of tuition, preventing the State from fully recouping needed grant money for economically disadvantaged students from the federal government in the form of Pell Grants.

In 2006, the University created a new financial assistance policy to transform tuition waivers into dollars, in the form of need-based grants and non-need-based scholarships. At the same time, we launched new initiatives to increase student applications for federal financial aid. As a result, 14,111 students received \$49,048,384 in federal Pell Grants in FY 10, versus 9,227 students receiving \$22,368,430 in FY 05. UH's own financial assistance programs also more than doubled, as 16,334 students received \$42,358,580 in UH financial assistance in FY 10, versus 8,840 students receiving the equivalent of \$20,356,119 in tuition waivers in FY 05. Finally, the University has experienced a growth in enrollment in our underrepresented ethnic groups. Again, during this same time period, Native Hawaiian students grew from 6,396 in FY 05 to 12,630 in FY 10, Filipino students grew from 6,112 in FY 05 to 9,228 in FY 10, and Pacific Islander students grew from 1,489 in FY 05 to 2,002 in FY 10. Tuition dollars provide financial aid for over 11,000 students. Repeal of the Tuition and Fees Special Fund would jeopardize access to higher education for these students.

As a result of the economic downturn, the University experienced \$98 million in reductions to its general funds in the Fiscal Year 2009-10. In Fiscal Year 2010-11 that reduction has been increased to \$108 million, representing a 23% decrease in the University's general fund budget from Fiscal Year 2008-09. That level of reduction in funding is one of the largest in the nation among public universities.

With an all-time high enrollment exceeding 60,000 students in Fall 2010, as compared to approximately 50,000 students in Fall 2007, we are serving many more students with far fewer general funds. We have managed this by various means throughout our campuses. These include executive, faculty and staff wage cuts (with no loss of instructional days), enrollment management, fewer classes at certain campuses, larger class sizes, deferred hiring and/or hiring of lecturers to fill instructional positions, campus closures during winter and spring breaks, deferral of spending, and use of American Recovery and Reinvestment Act (ARRA) fiscal stabilization funds for education.

Nevertheless, these reductions have impacted the University's ability to deliver academic programs by restricting the filling of positions, reducing class offerings, and increasing class sizes at certain campuses. A significant number of lecturers have not been renewed. Other critical program areas, such as financial aid and student services, have also been adversely impacted. All our state-funded employees are taking pay cuts and we have reduced our workforce in a number of areas. Campuses have been closed for the winter holidays and spring break, reducing utility costs for those periods of time. Despite the severe impact on our budget, we have worked diligently to minimize the impact on students, and we have done so without interruption to instructional days.

We would not have been able to manage this economic crisis without fiscal flexibility and access to tuition revenue and other non-general funds. At our community colleges, for example, our Fall 2010 enrollment of 34,203 students represents a 20.2% increase over Fall 2008 and a 35.4% increase over Fall 2006. We have been able to serve those students only because we have access to tuition dollars. As we needed to add classes, we were able to examine our revenues from tuition and add the necessary classes. As a result, we added 1,300 classes and accommodated 9,000 additional students. If we had been required to wait until a new general fund allocation could be made in order to respond to the demand for more classes, we simply could not have responded in time. Students would not be served.

In addition, summer classes and non-credit classes receive no general funds. If we did not have the ability to collect and expend tuition for those classes, we would not be able to offer needed summer school and workforce development classes.

HB 79 proposes to reverse 25 years of progress by repealing all of the University of Hawai'i's special and revolving funds. In the following part of this testimony, we address and discuss each of those funds. However, let me begin by saying that without those funds and the authority to control and manage those funds, the University simply could not continue to operate in its current form, nor accomplish the educational, research, workforce development, and innovation goals that are critical to the future of our State. Moreover, the balances reflected in any "snapshot" of the University's financial condition are as of a specific date and are impacted by future expenditures and encumbrances. Accordingly, such balances are not an accurate indication of available resources.

In addition to the items discussed above, adverse impacts of this bill would include the following:

- 1) The University would not be able to cover its operating costs and serve its students without tuition revenues, which provide a major portion of the funding for our operational mission. Tuition covers 35 to 40% of our instructional costs, the majority of which are personnel costs.
- 2) All revenues of the University, other than general fund appropriations, are pledged against our revenue bonds. Without those funds, the University would default on its bond covenants. Credit rating agencies would likely downgrade the University, which would have a negative and costly impact on any future revenue

bond issues. In addition, we could potentially be subject to liability from lawsuits by bondholders of our current bonds.

3) Repealing our revenue-undertaking fund would mean that we could not issue revenue bonds or run the operations that pay for those bonds. Affected operations include student housing, faculty housing, parking, food service, bookstore, campus center and telecommunications, to name a few.

4) Without reserves represented by the special and revolving funds, our accreditation would be in jeopardy, as accrediting agencies expect us to maintain reserves and seek to verify sufficient reserves when they examine us for accreditation.

5) This bill could halt developments that are currently in progress such as the Cancer Center, UH West O'ahu Kapolei Campus, the UH Mānoa Campus Center, the Information Technology building, and other projects that are being funded by revenue bonds and where non-general funds are the source of repayment for the bonds.

Again, these are just some of the impacts HB 79 would have. In the following sections of our testimony, we address each special and revolving fund individually. Please note also that the University has previously submitted separate legislation, HB 1322, which has passed the House Committee on Higher Education and will be coming to the Committee on Finance next. HB 1322 proposes repeal of a number of special and revolving funds as recommended by the State Auditor. These funds are so indicated below.

Research and Training Revolving Fund (HRS 304A-2253)

The Research and Training funds are used to support the research mission of the University. The funds are to be used for purposes that result in additional research and training grants and contracts, and for facilitating research and training at the University. These funds are used: 1) to recruit and support top researchers; 2) for administrative support (i.e., fiscal, HR, compliance, etc.) for extramural contracts and grants; 3) to repair, replace, maintain, and/or upgrade scientific and other equipment and facilities for continued research; 4) for mandatory matching for extramural contracts and grants; 5) for research projects; 6) for funding of graduate students; and 7) for working capital.

An estimated \$1,500,000 is needed for the next 15 years for revenue bond payments for the Biomedical Sciences Building addition. Funds have also been committed to several initiatives to expand the research programs at the University, including the proposed Thirty Meter Telescope on Mauna Kea. Generally, RTRF funds have made possible the past growth in the University's research enterprise and are critically necessary to maintain and continue to expand extramurally-funded research at the University. A point to mention here is that while some RTRF funds may appear to be unencumbered under governmental accounting standards, that does not mean that those dollars have not been committed. For example, commitments to support research

and start-up costs for new faculty members are frequently made in one year but expended over several.

University of Hawai'i Tuition and Fees Special Fund (HRS 304A-2153)

Tuition and Fees Special Funds are a major portion of the University's operating funds. Per statute, the funds are used to maintain or improve the University's programs and operations.

Deposits to the Tuition and Fees Special Fund are comprised of tuition, fees, and other credit course-related charges paid by students. Funds are used to address normal operating expenses of the campuses, including salaries, supplies, materials, equipment, repairs and maintenance, etc.

Potential impacts to UH Mānoa, UH Hilo, UH West O'ahu, and our seven community college campuses resulting from the repeal of the Tuition and Fees Special Fund include:

- Further reductions in the level of instruction, student support services and other services beyond the reductions already made. Reductions in services to students, such as counseling, tutoring, advising, financial aid and other support services, will negatively impact the ability of students to succeed and obtain their degrees.
- Possible reductions in library hours that impact our students and our community.
- Possible employee layoffs in all categories.
- Reductions in financial aid and scholarship awards to our students, as those awards are fully funded by tuition.
- Potentially fewer courses could be offered per semester, reducing the ability of our students to get the classes that they need. This will negatively impact our retention and graduation rates.
- Negative impacts on our ability to provide security and maintain health and safety standards for our campuses, creating liability for the university and for our faculty, staff, and students.
- Reductions in our student workers. In some cases, these jobs are the only source of income for our students. This could cause these students to drop out of school due to lack of this assistance.
- Cuts in mental health and other health services to our students, which would put more pressure on other state agencies.
- Possible reductions in other programs that provide outreach to the community.

While we do have some "unencumbered" balances, to put this in context, the Tuition and Fees Special Fund balance at June 30, 2010, was roughly 7.1% of our total operating expenses for FY 2010. In my view, this represents responsible and prudent financial management in an unpredictable and volatile economic time. It would be a shame to penalize the University for working to insure the future for the State and our future students.

University of Hawai'i Student Activities Revolving Fund (HRS 304A-2257)

This fund is used to account for receipts and disbursements related to student-oriented activities, programs, and services developed and implemented by chartered student organizations and student activity programs. At UH Mānoa, programs supported include the following:

- The Associated Students of the University of Hawai'i
- The Broadcast Communication Authority
- The Board of Publications
- Campus Center Board
- Co-Curricular Activities (New Student Orientation Program)
- Graduate Student Organization
- Lab School extra-curricular activities
- National Student Exchange
- Student Activity and Program Fee Board
- Student Housing Residence Hall Association

The Community Colleges use the fund to support programs such as student government, social and cultural activities, honor society activities, new student orientation, etc.

Systemwide Information Technology and Services Special Fund (HRS 304A-2154)

Per statute, moneys in the Information Technology and Services special fund are to be used "in support of systemwide information technology and services including personnel, equipment costs, and other expenses, as well as planning, design, and implementation of information technology infrastructure within the University".

The repeal and sweep of the Systemwide Information Technology and Services Special Fund into the State General Fund would have disastrous consequences for a number of program activities this fund supports. The flexibility provided by this fund enables UH to site-license or bulk-license software at heavily discounted prices and then share these reduced costs among participating campuses, units and departments throughout the UH System. Without the funds to purchase software up-front, programs and units would have to directly buy from vendors without the benefit of discounted or site license pricing. This program also supports the systemwide licensing of anti-virus software for all UH student, faculty and staff computers throughout the UH System on all campuses and islands. This software is made available at no direct cost to improve protection of members of the UH community and our campuses from malware that can damage operations and threaten their personal information. This fund also enables UH to assist other state agencies with their videoconferencing needs by providing a mechanism for overtime and other marginal costs to be recovered. Repeal and sweep of this fund would have significant negative impact on a wide range of entrepreneurial initiatives that reduce overall costs and enhance IT capabilities at the University.

University of Hawai'i Auxiliary Enterprises Special Fund (HRS 304A-2157)

The purpose of this fund is to support various Auxiliary Services programs (those services provided by the University to students, faculty, staff and others that are

ancillary to, but facilitate, the instruction, research and public service missions of the University). Examples of programs currently supported by this fund include:

- The Department of Art and Art History's activities, including support of the Art Gallery's operations and exhibitions, Art Department sales, East-West Center Ceramics workshop, and art supplies.
- The Office of Student Affairs Counseling and Student Development Center, which provides educational and vocational counseling and testing services to students and other members of the community.
- The School of Nursing and Dental Hygiene's Dental Hygiene Clinic, which supports the operation of the clinic at UH Mānoa.
- The Hyperbaric Treatment Center, which provides hyperbaric oxygen services for diving accidents and medical treatments.
- Laboratory Animal Services, which administers the Program of Humane Care and Use of all vertebrate animals used for research, training and other activities.
- The University Laboratory School Cafeteria, which provides governmental standard lunches and breakfasts to students of the school, a service which is universal in public schools in Hawai'i and across the nation.
- Transportation Services, which is responsible for purchasing and maintenance of motor vehicles, and various motor vehicle services for official use by University personnel.

University of Hawai'i-West O'ahu Special Fund (HRS 304A-2166)

The purpose of this fund is to support the planning, land acquisition, design, construction, and equipment necessary for the development of the permanent campus of UH West O'ahu in Kapolei, including infrastructure and other public or common facilities. Revenues include net rents from leases, licenses, and permits, and interest earned on moneys in the special fund.

University Revenue-Undertaking Fund (HRS 304A-2167.5)

This fund is comprised of revenue-generating and self-supporting University Bond System projects. The fund includes operating accounts, and major and ordinary repair and replacement accounts. Projects include the following:

- Bookstore
- UH Mānoa Campus Center
- UH Mānoa Faculty Housing
- UH Mānoa Food Services
- UH Mānoa Parking
- Student Housing
- Telecommunications

Balances for these funds are required for Working Capital. In addition, reserves need to be maintained for all outstanding bond system debt, pursuant to bond covenants. Reserves are also required for major projects.

Hawai'i Cancer Research Special Fund (HRS 304A-2168)

Cigarette tax receipts are transferred to this fund from the State pursuant to HRS 245-15. Funds are used by the University of Hawai'i for the Cancer Research Center's research, operating, and capital expenditures. The bulk of the balances for this fund are needed for the new Cancer Center facility development costs. Funds are also needed for current and future commitments to support research efforts and to continue to recruit faculty to remain competitive as a National Cancer Institute-designated cancer center.

Student Health Center Revolving Fund (HRS 304A-2255)

The purpose of this fund is to allow the provision of certain essential medical services, supplies, drugs, and lab services as required in medical treatment; it also provides the ability to assess certain costs for reimbursement. The program provides medical care to the University community and promotes good health practices.

University of Hawai'i Capital Improvements Program Project Assessment Special Fund (HRS 304A-2172)

The purpose of this fund is to defray the costs involved in: 1) carrying out capital improvements program projects managed by the University; 2) equitably assessing, collecting, and distributing moneys for current and other expenses associated with projects; 3) managing the payment of expenses assessable against capital improvements program projects managed by or through the University; and 4) managing funds representing accumulated vacation and sick leave credits and retirement benefits for non-general funded employees under the capital improvements program projects managed by the University.

University of Hawai'i Commercial Enterprises Revolving Fund (HRS 304A-2251)

The purpose of this fund is to account for receipts and disbursements related to commercial enterprise activities including sponsorship in private, cultural, and athletic performances, goods and services produced by University programs, or the promotion of the University of Hawai'i through the sale of emblematic merchandise, the formal licensing program for the commercial use of the University's names and trademarks, and the hosting of IT workshops and training sessions. Funds are expended for all costs associated with the operations of the enterprises, including hiring personnel, renovating commercial space, and purchasing merchandise, supplies, and equipment.

Current Commercial Enterprise activities include:

- Promotion of the UH name through sales of emblematic merchandise to the general public at sporting events, retail locations (including the Rainbowtique at Ward Center), and via the Internet.
- Operation and monitoring of the Collegiate Licensing program.
- Operation of the Hanauma Bay Gift Shop, which sells marine-related items to the visitors of the Hanauma Bay Nature Preserve.
- Activities of the Social Sciences Training and Research Lab and the College of Business and Economics consultant services at the University of Hawai'i Hilo.

University of Hawai'i Community Services Special Fund (HRS 304A-2156)

The purpose of this fund is to support the University's public service programs.

Examples of programs currently supported by this fund include:

- The College of Tropical Agriculture and Human Resources Agricultural Diagnostic Service Center, which provides agricultural diagnostic services to the public (including sample analysis of soil, water, plant tissue, diseases, insects and pests, and feed and forage for State, Federal, and County agencies, agribusinesses, farmers, and homeowners).
- The College of Language, Linguistics and Literature's Hawai'i English Language Program (HELP), which provides full time intensive English language training for international students and scholars preparing to begin undergraduate studies, or for use in a scholarly professional setting. HELP offers English courses in four 10-week sessions and three 4-week summer sessions. It also offers weekly workshops and study sessions, and offers the institutional Test of English as a Foreign Language exam each quarter.
- The College of Language, Linguistics and Literature's Satellite program, which enables the college to provide telecommunications support to the UH system and agencies of the State of Hawai'i using their technical resources and language expertise.
- Development and offering of Outreach College's noncredit courses and programs, including performances and public events held for the benefit of the community beyond the University, and noncredit courses in subject areas that range from professional development to personal enrichment. International programs assist international students in developing their English language skills and assist those students who wish to apply to the University by ensuring that the student meets the University's academic requirements prior to entrance.
- Provision of administrative support for the programs and activities of the Outreach College (includes fiscal and personnel services, student services, marketing and computer services).
- The College of Arts & Humanities' Theatre Group, which supports production expenses, student assistant support, and provides a reserve for future production start up costs for the Kennedy Theatre Mainstage, Prime Time, Kennedy Theatre special events, Late Night Theatre performances, and music concerts, recitals, and festivals.

University of Hawai'i at Mānoa Intercollegiate Athletics Revolving Fund and University of Hawai'i at Hilo Intercollegiate Athletics Revolving Fund (HRS 304A-2261)

The revolving funds provide support for all activities (administrative, support services, and sports) necessary to operate and maintain an intercollegiate sports program with both male and female student participants. Revenue is earned through ticket sales, television and radio broadcast rights, corporate sponsorships, guarantees paid by opposing teams, and other related income. Expenses include salaries, travel for student-athletes, coaches and staff to competitions, recruiting of potential student-athletes, equipment, materials and supplies needed for operations, payments to

officials, dues, payment of guarantees to visiting teams, credit card fees for ticket sales, sports camp costs, and other operating expenses.

Western Governors University Special Fund (HRS 304A-2158)

The University has submitted legislation requesting repeal of this special fund.

University of Hawai'i Real Property and Facilities Use Revolving Fund (HRS 304A-2274)

The purpose of this fund is to account for revenue generated from the lease/rental of University facilities. Various fees are collected for short-term use of facilities (facility use charges, lease agreements, commercial filming charges, deposits for use of building keys by contractors, etc.). Expenses include the repair/replacement of classroom furnishings as well as supplies and services need to repair and maintain campus facilities.

University Parking Revolving Fund (HRS 304A-2275)

This fund is used to account for revenues and expenditures for the UH Hilo Parking operation. Revenue is generated via parking fees and fines. Expenditures are made in support of providing parking services.

State Higher Education Loan Fund (HRS 304A-2160)

The purpose of this fund is to support the disbursement of loans to needy students pursuing a college degree. The program awards and issues loans to eligible students, with the amount of the loan determined based on the need for financial aid, academic promise, and department.

Hawai'i Educator Loan Program Special Fund (HRS 304A-2161)

The purpose of this fund is to provide financial support to students and teachers who complete a state-approved teacher education program and who agree to teach as a full-time teacher in the Hawai'i public school system in a hard-to-fill position, or at a school located in a rural area. It is a tool to recruit college students to become educators and ensure that these graduates teach and remain in the Hawai'i public school system.

Community Colleges Special Fund (HRS 304A-2162)

The purpose of this fund is to account for receipts and disbursements related to special programs and activities including off-campus programs, summer session programs, overseas and study abroad programs, exchange programs, cultural enrichment programs, and consultative services which help make available the resources of the community colleges to the communities they service.

Center for Nursing Special Fund (HRS 304A-2163)

The purpose of this fund is to support the Center for Nursing, which was created by the Hawai'i State Legislature in 2003 (Act 198) to address the nursing shortage. The program collects and analyzes data and prepares and disseminates reports and recommendations regarding the current and future status and trends in the nursing workforce. It conducts research on best practices and quality outcomes, and develops plans for implementing strategies to recruit and retain nurses.

Library Special Fund (HRS 304A-2155)

The purpose of this fund is to provide photocopying services of library books and journals, access to printing from library databases, interlibrary loans, document delivery services, preservation services, and other library services to library users, faculty, researchers, and other educational institutions. Funds are also used to replace and repair lost, stolen, or damaged library materials.

Hawai'i Medical Education Special Fund (HRS 304A-2164)

The purpose of this fund is to support a plan for a health care workforce and state training program. Funding is dependent on securing funds by the Medical Education Council and from both public and private sources.

University of Hawai'i Risk Management Special Fund (HRS 304A-2151)

The purpose of this fund is to pay for settlements and judgments, claims, insurance premiums, and legal fees and costs for the University of Hawai'i.

University of Hawai'i at Mānoa Malpractice Special Fund (HRS 304A-2152)

The purpose of this fund is to maintain a reserve with which to pay expenses related to malpractice claims filed against John A. Burns School of Medicine faculty physicians. These expenses include judgments, settlements, attorney fees and other costs related to the defense against malpractice claims filed against faculty physicians and entities.

State Aquarium Special Fund (HRS 304A-2165)

The purpose of this fund is to support the operations of the Waikīkī Aquarium by providing a fund to receive revenue and process expenditures that occur in the daily operations of a public aquarium. Revenues are derived from admission fees, educational program fees, rental of the facility, and other miscellaneous activities that occur at the Aquarium site. Funds are used to maintain the State Aquarium, providing quality exhibits and education programs to the general public, and to support responsible husbandry and aquaculture techniques in both the exhibits and internal programs.

Energy Systems Development Special Fund (HRS 304A-2169)

The purpose of this fund is to develop an integrated approach and portfolio management of renewable energy and energy efficiency technology projects that will reduce Hawai'i's dependence on fossil fuel and imported oil.

Mauna Kea Lands Management Special Fund (HRS 304A-2170)

The purpose of this fund is to support the management of the Mauna Kea lands, including maintenance, administrative expenses, salaries and benefits of employees, contractor services, supplies, security, equipment, janitorial services, insurance, utilities, and other operational expenses; and the enforcement of the administrative rules adopted relating to the Mauna Kea lands.

John A. Burns School of Medicine Special Fund (HRS 304A-2171)

The purpose of this fund is to support the School's activities related to physician workforce assessment and planning within Hawai'i. This shall include, but not be limited to, maintaining accurate physician workforce information and providing or updating personal and professional information that shall be maintained in a secure database.

Child Care Programs Revolving Fund (HRS 304A-2252)

The purpose of this fund is to support the operation of the University's child care program, including renovations of the child care center. The program provides quality integrated child care services and provides training opportunities for the development of competent professionals by serving as a training site.

Discoveries and Inventions Revolving Fund (HRS 304A-2254)

The purpose of the Discoveries and Inventions Revolving Fund is to develop technologies which have potential commercial value, to support the administration of technology transfer activities, and to facilitate economic development through education and research undertaken at the University of Hawai'i. The University's Office of Technology Transfer and Economic Development (OTTED) assesses the commercial potential of new inventions, secures intellectual property rights with commercial potential, and markets licenses for those inventions to industry.

Transcript and Diploma Revolving Fund (HRS 304A-2256)

The Transcript and Diploma Revolving Fund was established as means to defray or recover costs of the preparation, ordering and issuance of transcripts and diplomas upon requests from students. The University of Hawai'i is required to maintain academic records for all students who have attended, and must be able to produce, on demand, a copy of the student's academic record. Diplomas (with covers) are also issued to each graduate.

University of Hawai'i Housing Assistance Revolving Fund (HRS 304A-2258)

The University has submitted legislation requesting repeal of this revolving fund.

University of Hawai'i Scholarship and Assistance Special Fund (HRS 304A-2159)

The purpose of this fund is to provide financial assistance to qualified students enrolled at the University of Hawai'i.

University of Hawai'i Alumni Revolving Fund (HRS 304A-2259)

Funds deposited into this fund are expended on costs associated with conducting alumni affairs activities and programs for the UH System. Current expenses include the purchasing of supplies and services for the publication of the UH magazine, Mālamalama.

University of Hawai'i Graduate Application Revolving Fund (HRS 304A-2260)

The purpose of this fund is to defray the cost of processing applications for graduate programs. Revenue is derived from the graduate program application fee. The costs of processing applications, including salaries, software and operating supplies are funded by this revenue.

Animal Research Farm, Waialeale, O'ahu Revolving Fund (HRS 304A-2262)

The purpose of this fund is to account for revenues from the sale of livestock raised on the Waialeale Livestock Experiment Station, and to account for expenditures required to maintain the station, conduct research experiments, and purchase livestock. Current program activities include livestock research projects of priority to the State of Hawai'i.

Seed Distribution Program Revolving Fund (HRS 304A-2263)

This fund was established to enable the seed distribution program to meet the demand for seeds from farmers, homeowners and seed companies. Revenues are generated from the sale of seed to farmers, seed companies, garden shops, educational institutions and homeowners. Current program activities include the cultivation and production of vegetables and garden seeds which are sold to the public.

Conference Center Revolving Fund, University of Hawai'i at Mānoa (HRS 304A-2264)

The Conference Center provides services in organizing conferences for a variety of sponsors. Services include coordination of registration and management of revenues and expenses for conferences and workshops. The sources of revenue are sponsor contributions, exhibitor fees and conference fees. Expenses include meeting room rental, food and beverages, and conference supplies.

International Exchange Healthcare Tourism Revolving Fund (HRS 304A-2265)
(inactive)

The University has submitted legislation requesting repeal of this revolving fund.

Education Laboratory School Summer Programs Revolving Fund (HRS 304A-2266)

The purpose of this fund is to support the operations of a Summer Program at the Education Laboratory School. The school offers three integrated programs for students entering grades three through eight. These programs are: the Summer Science Enrichment Program, the Computer-Plus Program, and the After-School Program. Over 200 students are enrolled each summer. Revenue in the form of tuition and fees is received primarily in March-May and expended from May-August. Funds are expended on the operations of the summer programs, primarily for personnel costs and supplies. The program is self-sufficient.

Center for Labor Education and Research Revolving Fund (HRS 304A-2267)

The purpose of this fund is to provide labor-related education, research, and education services at the University of Hawai'i at West O'ahu. Revenue is generated via class fees, fees for services, and private gifts to sustain the operation of the unit.

Career and Technical Training Projects Revolving Fund, University of Hawai'i at Hilo (HRS 304A-2268)

This fund was established to administer the vocational and technical training projects at UH Hilo. The sources of revenue for this fund are receipts from fees for services, and the sale of supplies provided by or in connection with these projects.

Community College and University of Hawai'i at Hilo Bookstore Revolving Fund (HRS 304A-2269) (inactive)

The University has submitted legislation requesting repeal of this revolving fund.

Hawaiian Language College Revolving Fund (HRS 304A-2270)

This fund is used to account for revenues and expenditures of the UH Hilo Hawaiian Language College. Sources of revenue include sales of Hawaiian language materials and other related items. Funds are expended to support the operation of the College.

University of Hawai'i-Hilo Theatre Revolving Fund (HRS 304A-2271)

The purpose of this fund is to account for revenues and expenditures of the UH Hilo Theatre operation. Revenue is generated via theatre ticket sales. Expenditures are related to the programs and performances held at the theatre.

Conference Center Revolving Fund, University of Hawai'i at Hilo (HRS 304A-2272)

The purpose of this fund is to administer the conference center program at UH Hilo, which promotes educational, scientific and artistic pursuits through conferences and seminars. Revenue is generated via conference fees and other related income. Expenditures are related to the administration of conferences, workshops, seminars and other educational activities.

Community College Conference Center Revolving Fund (HRS 304A-2273)

This fund is used to account for receipts and disbursements related to conferences, seminars, and courses administered under the conference center program. The fund is used for all costs associated with conducting conferences, including but not limited to expenses for honoraria, hotel and room rentals, food and refreshments, printing and mailing, airfare and per diem, leis, rental of audiovisual equipment, and conference supplies and materials. Revenues are from fees paid by participants and/or sponsors for conferences, seminars, and courses.

CONCLUSION

The fiscal and operational flexibility created by the University's control of its special and revolving funds are essential for the University to operate. In addition, they are required for specific purposes and, as described above, are obligated and earmarked for those purposes. Repealing the University's special and revolving funds would devastate our operations and reverse 25 years of progress in serving our students and the people of Hawai'i.

The University strongly opposes this bill. For the good of our students and the future of the State, we urge you not to pass this measure.

Thank you for the opportunity to provide this testimony.



Testimony by Chancellor Virginia S. Hinshaw
University of Hawai'i at Mānoa

Mahalo for the opportunity to address the House Committee on Finance.

For over 100 years, Hawai'i has built a public higher education system for the people of Hawai'i and the Pacific to provide our people with critically needed educational opportunities. The founders of this university knew that education was the key to the success of our wonderfully diverse population – that was their goal. It is our clear responsibility to fulfill that goal based on the efforts of the past generations but most importantly for the sake of future generations. This bill defeats that goal, so UH Mānoa opposes passage of this bill, specifically the portion calling for automatic repeal of all special and revolving funds as of June 30, 2012.

The automatic repeal all of UH special and revolving funds as of June 30, 2012 would be devastating for UH Mānoa. Serving as a research 1 university requires the flexibility to generate and direct funding for specific purposes, from student-led activities to research programs. Having such funds transferred to the state general fund endangers the ability to meet obligations related to those funds, from bonds to buildings to student organizations, and virtually eliminates the opportunity for planning and prioritization by the institution.

This bill proposes to take fees and tuition funds that students have paid for specific purposes and for which we have provided financial aid, including scholarships, federal grants, and loans, to pay the costs for other agencies. Such actions would truly endanger Mānoa's ability to serve Hawai'i as a research

1 university now and into the future – in essence, this would push Mānoa past the “tipping point”.

Our partnerships throughout the state contribute to the health and well being of our citizens. The UH is a major generator of educated citizens, new knowledge, jobs and resources for Hawai'i. This bill defeats the ability of Mānoa to serve in that capacity. Hawai'i has created a leading, nationally accredited research 1 university at UH Mānoa– the only one in Hawai'i and one of the few in the nation which serves as a land, sea and space grant institution charged with the responsibility to solve the problems in all of those areas.

We empathize with the financial challenges the Legislature faces and your University has been working hard to be part of the solution. This bill defeats our efforts and eliminates our ability to be part of the solution. You would be making the decision that the State of Hawai'i cannot support its public university. That is a chilling message for higher education in Hawai'i.

Approval of this measure would be highly detrimental to the State of Hawai'i and I implore you to oppose its passage. Mahalo.



**STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS**

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February 15, 2011

To: The Honorable Marcus R. Oshiro, Chair
and Members of the House Committee on Finance

Date: Tuesday, February 15, 2011
Time: 3:00 p.m.
Place: Conference Room 308, State Capitol

From: Dwight Takamine, Director
Department of Labor and Industrial Relations

Re: H.B. No. 79 Relating to State Funds

I. OVERVIEW OF PROPOSED LEGISLATION

H.B. 79, Section 2, establishes provisions for automatic repeal of all special and revolving funds as of June 30, 2012 and transfers any remaining balances to the state general fund. This provision applies to the Employment and Training Fund, established under Section 383-128, Hawaii Revised Statutes, that is operated and administered by the Department of Labor and Industrial Relations.

II. CURRENT LAW

Section 383-128, Hawaii Revised Statutes, established the Employment and Training Fund (ETF) as a special fund collected at an assessment rate of .01 percent, pursuant to Section 383-129. The moneys in the ETF may be used for funding:

1. The operation of the state employment service for which no federal funds have been allocated;
2. Business-specific training programs to create a more diversified job base and to carry out the purposes of the new industry training program pursuant to Section 394-8;

3. Industry or employer specific training programs where there are critical skill shortages in high growth occupational or industry areas;
4. Training and retraining programs to assist workers who have become recently unemployed or likely to be unemployed;
5. Programs to assist residents who do not otherwise qualify for federal or state job training programs to overcome employment barriers; and
6. Training programs to provide job specific skills for individuals in need of assistance to improve career employment prospects.

Employers who use or are assisted by any of these programs are required to contribute fifty percent of the cost of the assistance in cash or in-kind contributions.

III. HOUSE BILL

While the Department supports the bill's intent to balance the state budget, we oppose the repealing of the ETF. The ETF Program is a vital resource for workforce development because it is the only program that can upgrade workforce skills of any business. Unlike federal job training programs that target individuals with employment barriers, the ETF provides businesses with the opportunity to upgrade the skills of the incumbent workforce from entry-level to top management and allows workers to acquire the job skills necessary to keep pace with local, national, and international competitors. These funds are designed specifically to help keep Hawaii's workforce competitive at the cutting edge of their chosen profession and occupations, which is crucial to the State's economic recovery.

For example, the Hawaii Clean Energy Initiative established in 2008, aims to reduce Hawaii's dependence on oil by setting goals and a roadmap to achieve 70% clean energy by 2030 with 30% from efficiency measures and 40% coming from locally generated renewable sources. To contribute to these efforts, ETF conducted two RFP solicitations for green training projects in March and July of 2009 that resulted in the award of four grants to develop innovative training programs in Energy Management, Green Building Skills, Building Operator Certification, and On-Farm Food Safety Certification Training to promote an increased demand for local agricultural production.

Another example of ETF's ability to provide support for workforce development

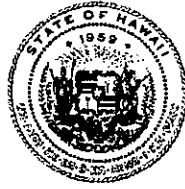
initiatives is its continued support of the Volunteer Internship Program (VIP). VIP is a Hawaii Department of Labor and Industrial Relations (DLIR) initiative designed to stimulate job growth in Hawaii. VIP is a voluntary program that allows job seekers, especially those receiving unemployment insurance (UI) benefits, to gain practical, hands-on training at a jobsite. Claimants continue to receive UI benefits throughout the duration of their internship. An early cost-benefit analysis conducted for the first quarter of the program identified a total estimated savings of \$40,000 to the UI Trust Fund and \$27,000 for Federal Extended UI Benefits from the first 28 interns who got jobs upon completion of their VIP-sponsored internship. This strongly suggests that the program helps preserve the solvency of the UI Trust Fund. As of December 31, 2010, 221 VIP interns were matched with businesses, of which 75 participants (or 34%) reported their gaining employment with either their VIP business sponsor (29) or a different employer (46).

Start-up costs for VIP were initially funded through Reed Act funds through June 30, 2010, after which the program was temporarily supported by Federal funds for Re-employment Services; however, this funding source lapsed on September 30, 2010, and no other funding source was available to support the program in its entirety. By September 30, 2010, sufficient funds were collected in the ETF fund to support the continuation of VIP.

In addition, the ETF's Employer Referral/Micro program was reinstated, enabling employers to refer their workers to ETF-funded training from 14 pre-approved training vendors so that their employees can be competitive within the diverse and changing nature of the current economy.

In summary, ETF has proven to be a vital and important part of workforce strategies to facilitate the creation of jobs in partnership with the private sector, and we therefore request that Section 2 of the bill be revised to exclude the ETF special fund established under Section 383-128, Hawaii Revised Statutes.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
ACTING DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

House Committee on Finance

H.B. 79, Relating to State Funds Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H. Acting Director of Health

February 15, 2011

1 **Department's Position:** The department strongly opposes this measure.

2 **Fiscal Implications:** These special and revolving funds provide funding for operating expenses and
3 many also fund staffing for these programs. Funding for programs and services, many legally mandated,
4 will need to be replaced by general funds, putting further strain on the budget. If operations are left
5 unfunded, the State will lose future revenue and be exposed to sanction and legal challenges.

6 **Purpose and Justification:** HB 79 repeals established special and revolving funds and transfers the
7 unencumbered and unexpended fund balances to the State General Fund. The programs impacted by
8 this measure provide critical services to maintain the health and safety of the people of Hawaii.

9

10 Special funds provide relief to the tax payer by generating revenue for the State without burdening the
11 general population. In most cases, special fund balances are based on fees paid by specific stakeholders
12 for narrow purposes. Single persons, for example, are not forced to subsidize the cost of couples
13 registering their marriage; and non-drinkers are not compelled to fund glass recycling programs through
14 bottle deposit fees.

15

1 Pursuant to section 37-52.3 (1), HRS, and section 37-52.4 (1), HRS, Criteria for the establishment and
2 continuance of special funds and revolving funds, both funds serve the purpose for which they were
3 originally established and also reflect a clear nexus between the benefits sought and charges to their
4 users and beneficiaries. Also section 37-62, HRS, Definitions, defines "Special Funds" as "funds which
5 are dedicated or set aside by law for a specified object or purpose. As such, the special funds and the
6 revenues deposited into these special funds from assessed fees or fines, have a clear nexus to the
7 programs that are funded by these special funds. Also, section 37-62, HRS, defines "Revolving Fund"
8 as "a fund from which is paid the cost of goods and services rendered or furnished to or by a state
9 agency and which is replenished through charges made for the goods or services..." Therefore, there is
10 a clear nexus between the charges made for the goods or services and the respective program.

11
12 For example, the Environmental Management Special Fund (EMSF) funds a total of 9.00 positions in
13 the Solid and Hazardous Waste Branch. Positions funded by the solid waste tip fee are required to
14 develop and implement departmental rules on solid waste management activities, implement the
15 requirements of the Resource Conservation and Recovery Act (CFR part 258); review and approve or
16 disapprove permit applications for solid waste management, special waste, and materials recycling
17 facilities; inspect and assure compliance of permitted waste management facilities; investigate and
18 initiate enforcement actions against violators and illegal operations; analyzes monitoring data relating to
19 groundwater contamination, ash management and landfill gas generation; respond to complaints
20 regarding illegal dumping or disposal of solid waste, or other special wastes. There are no other state
21 agencies that would be able to provide these services. The position funded by the glass advanced
22 disposal fee provides oversight to contracts for the recycling glass containers in each county. There are
23 no other state agencies that would be able to provide these services. The reduction may have significant
24 impact on funding glass recycling programs and may also result in a warm body reduction-in-force at

1 the county level. Revenues from the advance tire surcharge fee are collected from companies that
2 import new tires into Hawaii (tire wholesalers and new car dealers) and are intended for cleaning up
3 illegal tire dumps throughout the state. The transfer of funds would eliminate the State's ability to
4 initiate a cleanup of any tire piles that pose a risk to human health and the environment. Given the
5 current economic climate, we expect more illegal dumping associated with companies avoiding cost to
6 properly dispose and/or abandoning tires.

7
8 Another example is the Early Intervention Special Fund which provides funding for mandated services
9 and funds 5.00 permanent filled and 2.00 filled temporary FTE positions. Without adequate funding,
10 authorized mandated services may be suspended or not provided once allocated funds are depleted. The
11 State may then be out of compliance with Part C of IDEA.

12
13 Other examples of DOH special funds that are used to provide staffing include the Sanitation and
14 Environmental Health Special Fund (3.00 permanent positions), Tobacco Settlement Special Fund
15 (37.00 permanent and 1.00 temporary positions) and Clean Air Special Fund (41.00 permanent
16 positions).

17
18 Further, the proposed repeal of the Clean Air Special Fund and the transfer of the special fund balance to
19 the State General Fund would be in direct conflict with Federal Law 502(b)(3)(C)(iii) which mandates
20 that all fees collected by the State under this law shall be used for costs associated with the permit
21 program. The Environmental Protection Agency Region 9 confirmed this to the Department of Health
22 (DOH) in two letters dated 4/9/98 and 3/24/09 and the State Attorney General affirmed this
23 understanding in a letter to the Director of the DOH on 4/24/98. It appears a violation of Federal Law if
24 the funds in the Clean Air Special Fund get used for any other purpose than intended.

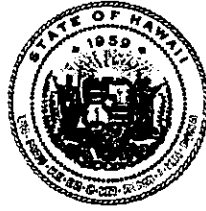
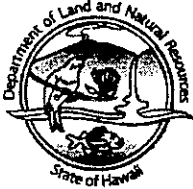
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2 In addition, both the Water Pollution Control Revolving Fund and the Drinking Water Treatment
3 Revolving Loan Fund were established in accordance with section 342D-83, HRS, and section 340E-35,
4 HRS, respectively, to "be administered, operated, and maintained to remain available in perpetuity for
5 its stated purpose." This measure is in direct conflict with the Environmental Protection Agency
6 regulations, Section 603 of the federal Clean Water Act and Section 1452 of the federal Safe Drinking
7 Water Act which require each state to establish a clean water fund and a drinking water state revolving
8 fund for the authorized purposes of the Acts. Both these federal Acts mandate that each fund's balance
9 shall be available in perpetuity to provide the types of assistance authorized by the Acts.

10

11 Thank you for the opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



**STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES**

POST OFFICE BOX 621
HONOLULU, HAWAII 96809

**Testimony of
WILLIAM J. AILA, JR.
Chairperson**

**Before the House Committee on
FINANCE**

**Tuesday, February 15, 2011
3:00 PM
State Capitol, Conference Room 308**

**In consideration of
HOUSE BILL 79
RELATING TO STATE FUNDS**

House Bill 79 repeals, terminates, or closes certain revolving and trust funds, and establishes provisions for automatic repeal of certain special and revolving funds beginning on 6/30/12. The Department of Land and Natural Resources' (Department) comments are restricted to SECTION 2 of the bill proposing a new section to Part III of Chapter 37, Hawaii Revised Statutes (HRS), to be titled, "Special and revolving funds; automatic repeal". The Department strongly opposes this SECTION and offers the following comments in defense of its special and revolving funds:

The current economic recession and resulting budget reductions over the past 3 years have had significant impacts on Department staffing and operations, the provision of public services and protection and preservation of natural and cultural resources. Since 2009, the Department's operating budget has declined 10% with general fund support having been reduced 28% and those costs being shifted to special fund revenues that have not necessarily increased to absorb additional demands.

Repealing special and revolving funds would jeopardize at least \$5.3 million per year and \$43 million of long-term contracts in federal matching funds for programs under the Department's Commission on Water Resources (Water Resource Management Fund), the Division of Aquatic Resources (Sports Fish Special Fund and Commercial Fisheries Special Fund), and the Division of Forestry and Wildlife (Natural Area Reserve Fund and Forest Stewardship Fund).

WILLIAM J. AILA, JR.
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

GUY H. KAULUKUKUI
FIRST DEPUTY

WILLIAM M. TAM
DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

Hawai'i Historic Preservation Special Fund (§6E-16, HRS)

The **Hawai'i Historic Preservation Special Fund** was established by the Legislature to maintain operations of the division, "produce public information materials and to provide financial assistance to public agencies and private agencies in accordance with Chapter 42D, HRS, involved in historic preservation activities other than those covered in §6E-9, HRS (salvage). Monies from the Legislature, grants, and gifts may be deposited into this Special Fund. In addition, the Department, under §6E-3 (16), HRS, is allowed to charge fees to help defray the costs of running the Historic Preservation Program. Keeping and maintaining this Special Fund is important to fulfilling the mission and duties of the Department to maintain and protect historic and cultural resources.

The Special Fund currently earns about \$50,000 per year from fees collected to defray the costs of reviews per §6E-3(16), HRS. The Department uses the Special Fund to pay for two positions, the Kaua'i Archaeologist (The lone State Historic Preservation Division position on that island) and the Historic Architect. Both positions are currently vacant (April 2010, November 2010), with approval to fill. However, as the Department has only collected an average of \$50,000 in each of the past two years, this Special Fund would likely not be able to cover the entire cost the positions. The Department will need to look elsewhere for additional funds to help pay for these two positions.

Special Land Development Fund (§171-19, HRS)

The **Special Land Development Fund (SLDF)** supports the Land Division's 37 FTP salaries and fringe benefits totaling approximately \$2.3 million, operating expenses totaling approximately \$800,000 and land maintenance expenses totaling approximately \$1 million.

The SLDF is a critical and increasingly important funding source for the entire Department to deal with emergency response to natural catastrophe such as fire, rockfall, flood or earthquake and hazard investigation and mitigation. The SLDF also is critical for staff support of various programs and funding conservation projects on all state lands. It has also become an important source of state match for federally funded endangered species and invasive species initiatives that otherwise would not go forward.

As detailed in the Department's report to this Legislature, the balance of the SLDF has steadily decreased in recent years (from \$8.1 million in FYE 2008 to \$4.6 million in FYE 2010) and is projected to be a deficit three to four years unless the Department is able to substantially decrease expenditures or increase revenues, or both.

The following are examples of the impacts to certain programs if the SLDF were repealed:

For the last five years, the SLDF has provided approximately \$800,000 annually to the Division of Forestry and Wildlife to support the recovery of threatened and endangered species and the control of invasive species. These funds match approximately \$1,500,000 in federal grants from the Endangered Species Act Section 6 Recovery Program and the State Wildlife Grants Program to recover the state's most critically endangered species. Examples of this work includes

successful captive propagation of Alala, Palila, Puaiohi, and Maui Parrotbill, establishing new populations of Palila on Mauna Kea, fencing and eradicating ungulates from Puu Waawaa Forest Bird Sanctuary, habitat restoration on leeward Haleakala for Maui's forest birds, wetland and waterbird conservation at Hamakua, Kawai Nui, and Pouhala wetlands on Oahu, studies on Kauai's nesting seabirds, and reintroduction of Puaiohi into the Alakai Wilderness Area. This funding is helping make significant progress toward preventing the loss of native species, habitats, and biodiversity and the Division urges you to continue to generate and collect revenues for these purposes.

The SLDF is critical for operations of the Engineering Division, as it supports staffing and expenses for multiple programs. In fiscal year 2009-2010, the fund provided: over \$570,000 for the Mineral Resources/Geothermal program to manage the geothermal resource to protect public health and safety and to ensure its continued viability for the future; over \$815,000 for the Dam Safety/Flood Control Program to regulate dams and reservoirs to protect life and property, and administer the National Flood Control Program to ensure the availability of flood insurance to property owners; and over \$350,000 for the Land Maintenance Crew to manage and maintain various State-owned lands, remove vegetation and debris from streams, and perform evictions on state lease lands. Without these funds, the Engineering Division will not be able to ensure the safety of all dams and reservoirs and respond to dam emergencies or perform other mandated duties.

The SLDF is critical for operations of the Division of State Parks, which has previously received nearly \$500,000 from the SLDF to make up for consistent general fund budget shortfalls for operation and payroll that keep our parks open. In recent years, the SLDF provided an additional \$584,216 for lifeguard services at Ka'ena Point State Park for public health and safety of park users. In addition to managing and protecting natural and cultural resources, the Division of State Parks serves to provide recreational access for both residents and visitors. Our Hawai'i State Park system serves as a significant destination of Hawai'i's visitor industry, with 6.7 million out-of-state visits annually.

The Office of Conservation and Coastal Lands (OCCL) has been entirely funded by the SLDF. Our annual allocation for salaries and fringe benefits is approximately \$450,000 (6.5 FTP), with operating costs running approximately \$200,000. Most of the operating costs are from Contested Case Hearings, supplies, and equipment. A severe reduction in the income generating capacity of the SLDF could result in the elimination of OCCL functions. OCCL is the State's zoning authority for all Conservation District lands in the State of Hawai'i, this includes terrestrial and marine areas out to three miles in the ocean, including fast and submerged lands. This entails processing permits for land uses involving private and public entities and prosecuting land use violations, with the intent to ensure the conservation of these unique and fragile areas. In terms of land area, we are responsible for more area than all of the counties combined (albeit less population density). The OCCL has been able to perform its function efficiently and effectively even with a relatively small staff, and any reduction in staffing would severely limit our ability to service the public. Loss of this government function would essentially result in the loss of projects within conservation lands because there would be no one available to process regulatory permits pursuant to Chapter 183C, HRS. This would have a major impact to business; 1000's of private landowners, government agencies, the university, marine users for energy and mariculture, just to name a few. These entities need OCCL to process their applications for use

of conservation district lands, such as in the case of telescopes, renewable energy projects, single-family homes, and public infrastructure.

The SLDF supports critical activities and essential programs undertaken by the Commission on Water Resource Management (Commission) to implement the State Water Code's declaration of policy by funding personnel, programs activities, and projects that are essential for water resource planning and fulfillment of State Water Code mandates. To date, the Commission has effectively utilized its SLDF allotments to further the management of our most precious public trust resource. Annual supplemental funding of \$300,000 from the SLDF provides payroll costs for three key Planning Branch positions: State Drought and Water Conservation Coordinator, Hydrologist VI, and Hydrologist IV. These three positions comprise the entire professional nonsupervisory staff of the Planning Branch, which is responsible for the establishment of an integrated program for the protection, conservation, and management of the waters of the State. The Commission's General Fund Personal Service budget is not adequate to pay for these three positions at this time. Efforts to convert these special-funded personnel to general-funds in the past were denied.

The SLDF is also used to fund Commission programs, activities, and the implementation of Commission priority projects, such as the 20-year Water Use Permit Review; Estimating Plant Water Use for Water Use Permitting; Modified RAM2 for Estimating Sustainable Yields; and Implementation of Interim Instream Flow Standards in East Maui. Due to the limitations of Commission's general fund, funding from the SLDF is also used for advancing invoice payments for reimbursable federal grants for projects and to fulfill non-federal cost share obligations required under some federal grants. The uncertainty of grant opportunities requires that Commission funding be available in order to qualify for these federal grants.

Beach Restoration Special Fund (\$171-156, HRS)

The Department's Office of Conservation and Coastal Lands (OCCL) is responsible for administering the **Beach Restoration Special Fund**. This Special Fund is currently the foundation of the Waikiki Beach Maintenance Project (WBMP) that is scheduled to be constructed this coming fall/winter. \$1.5 million was recently encumbered from the Special Fund for the construction for WBMP. OCCL was able to leverage an additional \$500,000 from private sector and \$500,000 from the Hawaii Tourism Authority towards WBMP. The remaining balance in the Special Fund is \$336,000 (this total does not reflect central services and administrative fees that must be deducted from this balance). Also, there will be post construction monitoring costs for WBMP that may further burden the Special Fund. The Special Fund also supports a Coastal Lands Specialist position within OCCL. The Coastal Lands Specialist manages all beach restoration, shoreline erosion, and beach management efforts in Hawai'i, and is the project manager for WBMP.

The Special Fund generates revenues from charging coastal landowners for the use of unencumbered state lands along the shoreline. The Department has developed a system to resolve long standing private encroachments. Landowners have been offered the option of returning the area to its natural state or obtaining a term easement for the use of the land. If a term easement is issued for the area, the money is deposited in the Special Fund. This process

has allowed the Department to sustain a program to protect and enhance some beaches, such as Waikiki Beach. In addition to managing WBMP, the Coastal Lands Specialist conducts studies such as the recently published Kailua Beach and Dune Management Plan, the Hawai'i Coastal Hazard Mitigation Guidebook, and others. The Coastal Lands Specialist also processes applications for beach restoration projects by private entities, provides technical advice on all shoreline related issues in the state such as shoreline erosion control, sand management, and county actions affecting the shoreline/beaches. Portions of the Special Fund has also been used to develop erosion rate data for the State, which has then been used to revise shoreline setbacks within all of the Counties, except Hawai'i Island. A greater shoreline setback protects beaches from inappropriate shoreline development, and protects coastal communities from coastal hazards, which relates to Federal Flood Insurance rates and policies. In addition, the BRSF has provided a portion of the salary for the State's Certified Shoreline Locator. The Certified Shoreline Locator is also located in OCCL and works in concert with the State Surveyor, and the Department's Land Division. This team has vastly improved the shoreline certification process which is crucial to support beach conservation, public access, and appropriate shoreline development.

Water Resource Management Fund (§174C-5.5, HRS)

The **Water Resource Management Fund** enables the Commission on Water Resource Management (Commission) to implement the State Water Code's declaration of policy by funding personnel, programs activities, and projects that are essential for water resource planning and fulfillment of State Water Code mandates. To date, the Commission has effectively utilized its Water Resource Management Fund to further the management of our most precious public trust resource.

The Special Fund provides payroll costs for three key Planning Branch positions with the Commission on Water Resource Management (Commission): State Drought and Water Conservation Coordinator, Hydrologist VI, and Hydrologist IV. These three positions comprise the entire professional nonsupervisory staff of the Planning Branch, which is responsible for the establishment of an integrated program for the protection, conservation, and management of the waters of the State. The Commission's general fund personnel service budget is not adequate to pay for these three positions at this time.

The Special Fund is also used to fund Commission programs, activities, and the implementation of Commission priority projects, such as the 20-year Water Use Permit Review; Estimating Plant Water Use for Water Use Permitting; Modified RAM2 for Estimating Sustainable Yields; and Implementation of Interim Instream Flow Standards in East Maui.

Due to the limitations of Commission's general fund, monies from the Special Fund has been used for advancing invoice payments for reimbursable federal grants for projects and to fulfill non-federal cost share obligations required under some federal grants. The uncertainty of grant opportunities requires that Commission funding be available in order to qualify for these federal grants. If this Special Fund were not available, the Commission would have lost \$100,000 in federal match funding last year.

Dam and Reservoir Safety Special Fund (§179-25, HRS)

The **Dam and Reservoir Safety Special Fund** was established by the Dam and Reservoir Safety Act of 2007 (Chapter 179D HRS) to enable the Department's Engineering Division to fulfill the Act's purpose to protect the health, safety, and welfare of the citizens of the State by reducing the risk of failure of the dams or reservoirs. This Special Fund can be funded through appropriations by the Legislature, fees, fines, and other sources in accordance with §179D-25 HRS. The Department uses the Special Fund to meet its mandate through inspections, enforcement, and other regulatory responsibilities. The Special Fund also allows the Department to address emergencies through inspections and remedial measures when there could be imminent risks to life or property.

If the Special Fund is eliminated or inadequately funded, people's lives will be put at risk as the Department will be unable to fulfill its regulatory responsibilities and would not be able to respond to emergencies resulting in an increased risk of a dam failure.

After the Ka Loko Dam Breach in March 2006 which killed seven people, the Special Fund funded over \$300,000 in emergency dam inspections of all regulated dams statewide. After the October 2006 earthquake, the Special Fund funded another \$350,000 in dam inspections. These two events clearly identified the need for the Department to have sufficient emergency funding readily available. Retaining this Special Fund is critical to ensure the Department meets its mission to protect life and property and reduce the risk of dam failures.

Wildlife Revolving Fund (§183D-10.5, HRS)

The **Wildlife Revolving Fund** is supported primarily by the sales of hunting licenses, stamps, permits, and tags. It is a user fee that the Department expends exclusively for the support of the hunting program, ensuring that those fees are returned to the constituents in the form of services and enhancement of hunting opportunities.

State Parks Special Fund (§184-3.4, HRS)

The **State Parks Special Fund** for LNR 806 was established in 1992 to provide for the deposition of revenue from sources such as camping and lodging fees, concessions, leases, and commercial use permits. This Special Fund was initially established to fund the Department's Division of State Parks (State Parks) interpretive programs. However, in 1995 and the ensuing years - and particularly over the past several fiscal years due to the severe downturn in the economy, this Special Fund has become essential to support the funding of basic operations, repair and maintenance, and facility improvements of the 67 State Park features throughout Hawai'i.

This critical reliance on the Special Fund revenue only partially offsets the 19 years of consistent reductions in general fund allocations to State Parks. Since 1992, the DSP General Fund allocation has consistently been reduced (with only a slight increase in 2008), by 50% - from 8 million dollars in 1992 to 4 million dollars in Fiscal Year 2011. The spending ceiling appropriation is 4.3 million, but revenue over the past two years has averaged only 2.5 million.

Factoring inflation into the comparison, the Special Fund revenue must reach 8 million dollars – State Parks would have to generate an additional 6 million in average revenue - just to match the more robust and sustainable management and operating budget of the early 90's. An additional challenge is that the management responsibility of State Parks has increased since the early 1990's with new parks added to the State Parks System.

State Parks is engaged and committed to creating new sources of special fund revenue, such as: increased camping and lodging rates, new parking and entrance fees for out-of-state visitors and commercial tour companies at several high visitation parks, and will be developing other new revenue sources through additional concessions, leases, permits and exploring creative, on-line merchandising of Hawai'i State Park products.

Without a dramatic increase and sustained general fund support, this Special Fund, and enriching it with new revenue and continued funding from HTA, is critical to support continued park operations. Otherwise, State Parks must evaluate how to initiate severe reductions in public service and/or periodic closure of various parks across the State.

Sport Fish Special Fund (\$187-9.5, HRS)

The **Sport Fish Special Fund** contains monies derived from the sale of freshwater game fish licenses sold by the Department's Division of Aquatic Resources. These monies are then used to support the Department's Sport Fish Program, including the management of public fishing areas such as those at Koke'e, Kaua'i, and Lake Wilson Reservoir, O'ahu, and many other projects

Commercial Fisheries Special Fund (\$189-2.4, HRS)

The **Commercial Fisheries Special Fund** supports staff, Internet online services, servicing of the commercial fishing industry, purchase supplies and equipment, and support a marine creel census project. Funding supports license staff and marine creel surveyors, about fourteen individuals by contract. Without this Special Fund, there are no other funds that can support these temporary hires. The Division of Aquatic Resources also relies on these funds for the purchase of report forms used by commercial fishermen.

This Special Fund supports licensing and permitting as required by Sections 188-44, 188-45, 188-57, 189-2, HRS, and commercial reporting requirements in Sections 189-2 and 189-10, HRS. The Special Fund also supports web portal services (online licensing and reporting) which reduces staff workload to operate licensing offices and processing fish reports, and reduces expenses to print report booklets and postage to mail booklets and reports.

The repeal of this Special Fund would leave the Department unable to license and monitor a sustainable commercial fishing industry in the State and the marine resources that support the industry. The commercial fishing industry was valued at \$71 million in 2009, with Honolulu having the 8th highest landings value by port at \$59 million in the nation. The repeal of this special fund would affect projects which receive Federal Funds (\$534,000 for Fiscal Year 2012) and may jeopardize the continuance of their receipt.

Natural Area Reserve Fund (§195-9, HRS)

There are many programs affected if eliminating the **Natural Area Reserve Fund**, such as the Watershed Partnerships, Natural Area Reserve System, Natural Area Partnership Program, Hawai'i Youth Conservation Corps, Invasive Species Council Programs, and the Plant Extinction Prevention Program. Additionally, federally funded projects that are now dependent on this Special Fund to provide the state match will have to be halted with a loss of the accompanying federal funds. Defaulting on federal grant agreements will jeopardize the Department's credibility and ability to secure federal funding in the future.

Watershed partnerships are voluntary alliances of over 65 private and public landowners working collaboratively with local, state, and federal agencies to protect forested watersheds for water recharge, conservation, and other ecosystem services. Presently they are comprised of eleven watershed partnerships on six islands that collectively protect over 2 million acres. They are represented by the Hawaii Association of Watershed Partnerships (HAWP).

Eliminating this Special Fund will affect support for the Watershed Partnership Grants program, resulting in the Department having no direct funding or technical support for watershed partnerships throughout the State. Effects would be further compounded since partnerships use state funding to leverage matching funds. They currently leverage close to \$5 million per year in non-state funding which would be lost due to lack of match. Previous substantial gains in weed and ungulate control will be reversed resulting in a loss of investments that would take many years to recover. With minimal management capacity, there will be a loss of water recharge capacity, native species, and unique habitat, as well as increased exposure to fire and higher costs to repair sediment-impacted coral reefs resulting from higher rates of erosion. The Ko'olau Mountains watershed alone produces a sustained yield of 135 billion gallons of water per year. The University of Hawai'i Economic Research Organization estimates the value of managing the watershed at \$14 billion. Statewide, watershed partnerships protect the primary recharge areas for over 3 trillion gallons annually.

The Natural Area Reserves System (NARS) was established in 1970 to preserve in perpetuity Hawai'i's most unique ecosystems and geological features. There are currently 19 reserves on five islands, encompassing over 122,000 acres. The diverse areas found in the NARS range from marine and coastal environments to lava flows, tropical rainforests, and an alpine desert. The Reserves also protect major watershed areas, which are vital sources of fresh water.

Under House Bill 79, NARS management state funding will be reduced to a meager \$800,000, practically eliminating the Department's ability to preserve the most unique and intact natural resources on state lands. With the loss of 24 special funded staff and nearly all operating capital, there would be an inability to maintain existing infrastructure such as fences, trails and roads, and accompanying losses in the effort to control ungulates, rodents, and noxious and dangerous invasive weeds. NARS would not have sufficient resources to maintain efforts to: plant rare native species, do environmental outreach, conduct biological/archeological surveys, or accomplish management priorities actions at areas such as Mauna Kea, Kaena Point and Ahihi Kinau NAR.

The Natural Area Partnership Program (NAPP) was established by the Legislature in 1991 to provide state funds on a two-for-one basis with private funds for the management of private lands that are dedicated to conservation. With over 30,000 acres enrolled, this innovative program complements the protection efforts on state lands - a partnership essential for the success of conservation in Hawai'i.

This Special Fund funds existing fixed NAPP multi-year contracts. With these funds, NAPP partners have supported Invasive Species Councils and watershed partnerships with personnel, funding, equipment and facilities for many years.

Under House Bill 79, existing long-term NAPP agreements and contracts would not be honored and funding would be halted. The purpose which the landowner gave the conservation easements in perpetuity would not be realized and the easement grantee may be subject to legal action for enforcement of the easement.

The Hawai'i Youth Conservation Corps is a hands-on year round intern learning experience aimed at educating Hawai'i's youth on the many conservation issues that threaten Hawai'i's unique environment. Partnering with Kupu and Americorps, students are mentored by and work alongside some of the Department's premiere conservation leaders. Twenty-five local youth are presently participating in the 2011 internship program.

House Bill 79 reduces NARF funding for this program to \$0, with no alternate funding secured the State would default on an Americorps grant agreement and lose federal funding of \$720,000 per year. The program, which needs \$240,000 to meet the Federal match requirements, would lose 25 existing Americorp intern positions.

The Invasive Species Council Programs (ISCs) are statewide and island-based partnerships of government agencies, non-government organizations, and private businesses working to protect each island from the most threatening invasive pests. The Hawai'i ISC (HISC) is the statewide Department lead coordinating council that provides direction, coordination and funding for many of the statewide invasive species programs of prevention, control and eradication, research and technology, and public outreach.

This Special Fund provides funding for HISC and the county-based ISCs that provide rapid response and control work on new invasive pests that have the potential to severely impact our economy, ecosystem, watersheds, human health, and quality of life. A driving objective of the HISC and ISCs is to control the most threatening pests while populations are still relatively small and it is economically feasible to control or eliminate them.

Under House Bill 79, funding for this Program will be reduced to \$0, resulting in the complete loss of funding for the HISC support staff and programs and cease a large portion of the invasive species control efforts statewide. Zero funding would result in loss of 26 temporary-hire support and field crew workers, operating funds, and \$400,000 in Federal matching funds unless alternate sources of state funding are secured. This would result in a severely reduced ability to respond to existing noxious and dangerous invasive weeds and prevent further introductions.

A loss of funding would affect the Department of Agriculture's Quarantine Branch, which receives HISC funding for two programs that serve to prevent the spread of invasive species. The affected programs are the Bio-control program that provides research on natural enemies of pests, with distinguished work with the Wiliwili tree threatened by the gall wasp, and an Ant Specialist position which is crucial in response and control of fire ant populations Statewide.

The Plant Extinction Prevention Program works to prevent the extinction of rare native plants with less than 50 plants remaining in the wild. This is done by numerous restoration methods including monitoring, surveying, and propagation of rare plants; out-planting; removal of invasive species; and fencing of protected areas.

Under House Bill 79, funding for this program will be reduced to \$0, resulting in the loss of 6 temporary-hire field crew workers. Many programs relating to surveying and monitoring threatened and endangered species, plant collection and propagation efforts, and field management of threatened and endangered plant and wildlife species will be discontinued or dramatically reduced. Loss of federal funding for both personnel and field operations will be imminent.

Forest Stewardship Fund (§195-4, HRS)

There are many programs affected if eliminating the **Forest Stewardship Fund**, such as the Forest Stewardship Program, the Forestry Program, and the Conservation Reserve Enhancement Program. The Department will not be able to fulfill contract obligations under existing long-term contracts under the Forest Stewardship Program or be able to carryout long-term funding agreement with United States Department of Agriculture (USDA) for the Conservation Reserve Enhancement Program.

The Forest Stewardship Program provides technical and financial assistance to owners of non-industrial private forestland that are interested in conservation, restoration, and/or timber production. These services exist as fixed multi-year contracts to private landowners. Under Senate Bill 120, the State would default on existing long-term Forest Stewardship agreements and the existing conservation investment would be jeopardized. Additionally, repealing the Forest Stewardship Fund jeopardizes \$100,000 Federal operating funds and \$1 million of Federal acquisition funds that this program receives annually.

The Forestry Program manages 52 forest reserves comprising more than 640,000 acres, or 16% of Hawai'i's land area. The Program also provides financial incentives to agricultural landowners to covert fallow or open land to trees, shrubs, and forest habitat, conducts control and monitoring efforts in each county for existing and incipient invasive species, and supports threatened and endangered species management.

Under House Bill 79, funding for this Program will be reduced to \$0, resulting in the Department having little direct funding to invest in managing public forest reserves, or provide private landowner assistance which includes many of our most valuable watersheds. Zero funding would result in loss of 12.5 temporary-hire support and field crew workers and 2.5 FTE federally funded state civil service positions due to lack of matching funds, and operating capital. This

would result in a severely reduced ability to maintain existing forest reserve infrastructure such as fences, trails, and roads, accompanying losses in the effort to control ungulates, cattle, and noxious and dangerous invasive weeds in forest reserves and watersheds, and protect and restore endangered and threatened species.

The Conservation Reserve Enhancement Program (CREP) is a federal-state natural resources conservation program that addresses state and nationally significant agricultural related environmental concerns. Through CREP, program participants receive financial incentives from USDA and the State to voluntarily enroll in CREP in contracts of 15 years. Participants remove cropland and marginal pastureland from agricultural production and convert the land to native grasses, trees and other vegetation.

Under House Bill 79, funding for this Program will be reduced to \$0, and the long-term funding agreement with USDA for \$43 million in federal funds for conservation projects on agricultural lands would have to be cancelled resulting in loss of an opportunity to provide landowner assistance relating to riparian area conservation, reforestation and sedimentation. Normally, this program allows participants to obtain 9:1 funding match ratios from the Federal Government.

The Department will be greatly constrained in accomplishing its constitutional, statutory, and court ordered mandates to protect Hawai'i's unique natural resources and ecosystem services. The Department will not be able to fulfill contract obligations under existing long term contracts under the Natural Area Partnership Program and Forest Stewardship Program with potential loss of public benefits provided under those agreements.

The Department will be greatly constrained in accomplishing its public safety mandates to monitor and manage over 1 million acres of lands in NARS, forest reserves, plant and wildlife sanctuaries and to maintain basic operations and service to the public at branch offices without these operational funds. By eliminating these Special Funds, the Department will lose skilled highly trained staff.

Many threatened and endangered species will most likely go extinct due to lack of management and preservation efforts. Once gone, they are gone forever. Without ongoing management, recent gains in invasive species control and eradication will be reversed, and new invasive species will inevitably become established.

Boating Special Fund (§248-8, HRS)

The Division of Boating and Ocean Recreation is entirely supported by the **Boating Special Fund** for its administrative support and the operations, repairs, and maintenance of Hawai'i's boating program, boating safety program, and ocean recreational access. Pursuant to Chapter 200-8, HRS, the following deposits are made into the Boating Special Fund: Proceeds from the State's Liquid Fuel Tax, rent from the property leased by the division, recreational and commercial harbor use fees, vessel registration fees, recreational ramp fees, and other miscellaneous use fees. The program is entirely supported by these sources of revenues and receives no funds from the General Fund. The Division normally has enough revenue to support its mandated activities and does not run a large surplus.

If the Boating Special Fund were repealed, the Division of Boating and Ocean Recreation would no longer exist unless other sources of funding were provided. The general public's safety would be impacted as the Division may not be able to fund necessary repairs and maintenance to harbor and ramp facilities that are used by the general public. This would include comfort stations and parking areas. Program income also supports keeping the navigable waterways free from obstructions. The lack of funding would also affect the mooring and docks that boaters pay their fees to use. Recreational and commercial boaters will not be able to utilize the services they pay for if these areas are not properly maintained and repaired.

Bureau of Conveyances Special Fund (§502-8, HRS)

The **Bureau of Conveyances Special Fund** was established in the 1990s to allow the Bureau of Conveyances (Bureau) to be financially supported by the fees paid for recording, issuing certificates of title, providing copies of documents and providing research for the public. The Bureau receives no general or other funds to support its operations. At the onset, all fees and other receipts were allowed to remain in the Special Fund to be expended through the approved budget and ceiling as authorized by the Legislature. Since 2003, \$18 of each recording fee is deposited to the General Fund; the remainder (\$7 for Land Court recordings and \$12 for Regular system recordings) stay in the Special Fund. All monies remaining at the end of the fiscal year in excess of \$500,000 will lapse to the General Fund. Act 120, Session Laws of Hawaii 2009, effected a \$5 increase in Regular System recording fees to fund improvements to automate the Bureau's recording process. These funds do not lapse to the General Fund.

It is essential for the Bureau to have sufficient funding to support not only the daily operations of recording, but to utilize its revenues to plan and implement technology needs as necessitated by the real property recording industry. In Fiscal Year 2010 and 2011, the Bureau has expended or encumbered over \$500,000 to purchase hardware, software and training for the employees to upgrade the recording, accounting and indexing systems. During the remainder of Fiscal Year 2011 and 2012, it is estimated that an additional \$500,000 will be spent to complete the automation, including electronic recording and electronic document retrieval, for the Bureau.

Without the ability to manage the revenue and expenditures through the special fund, the Bureau would be unable to react to industry needs in a timely fashion. The definition to the special fund allows the general fund to receive support and fund the operations of the Bureau.

For the reasons given above, the Department strongly opposes House Bill 79.

NEIL ABERCROMBIE
GOVERNOR
STATE OF HAWAII



ALBERT "ALAPAKI" NAHALE-A
CHAIRMAN
HAWAIIAN HOMES COMMISSION

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DEPARTMENT OF HAWAIIAN HOME LANDS

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COMMENTS OF ALAPAKI NAHALE-A, CHAIRMAN
HAWAIIAN HOMES COMMISSION
TO THE HOUSE COMMITTEE ON FINANCE
ON HB 79, RELATING TO STATE FUNDS.

February 15, 2011

Aloha Chair Oshiro, Vice-Chair Lee and Members of the Committee:

The Department of Hawaiian Home Lands (DHHL) is aware of the serious fiscal constraints in the State. We are, however, concerned about the intent of this measure to divert DHHL special and revolving funds into the general fund.

In 1959, the Admission Act provided that ownership of Hawaiian Home Lands be transferred from the United State to the Territory of Hawaii. The Admission Act also provided that Hawaiian home lands, as well as proceeds and income therefrom were to be held by the State in trust for native Hawaiians and administered in accordance with the Hawaiian Homes Commission Act (HHCA). Use of Hawaiian Home Lands and its related income for any other purpose would constitute a breach of trust for which suit may be brought by the United States. The Admission Act further stipulated that the Hawaiian Homes Commission Act of 1920, as amended, be adopted as a provision of the constitution of the State of Hawaii. Congress continues to have oversight over the

Hawaiian Homes Commission Act and certain amendments that affect its funds and programs may be made only with the consent of Congress.

The two (2) DHHL special funds affected by this bill are the 1) Hawaiian Homes Administration Account, established in 1941, to manage the administrative and operating costs of the department and the DHHL Revenue Bond Special Fund, a special fund to manage the revenue bond debt service payments of the department. The source of receipts for both of these funds is from general lease revenues and other land dispositions derived from Hawaiian home lands.

The two (2) DHHL revolving funds affected by this bill are the 1) Hawaiian Home Loan Fund and 2) the Hawaiian Home General Loan Fund. The source of the receipt is from principal repayments from DHHL's direct loan program. Diversion of these revolving (loan) funds into the general fund will impair and reduce benefits to native Hawaiian beneficiaries and will adversely impact DHHL's direct loan, homestead lease, loan guarantee, and Federal insured loan programs.

The application of this bill would violate the provisions of the Hawaiian Homes Commission Act, the Hawaii Admissions Act, and the Hawaii State Constitution. DHHL funds are assets of the Hawaiian Home Lands Trust and can be used only in the interest of native Hawaiian beneficiaries of the trust. Amendments to the Hawaiian Homes Commission Act that impair and reduce benefits to its funding and loan programs require Congressional consent before the Act can take effect.

I believe in the sincerity of your committee's action to address the budget shortfall. However, the State must not ignore its trust responsibilities over the Hawaiian Homes Commission Act through the provisions of the Admissions Act of 1959. These trust responsibilities remain in effect today.

Mahalo for the opportunity to provide these comments.

NEIL ABERCROMBIE
GOVERNOR



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Deputy Director
Law Enforcement

No. _____

TESTIMONY ON HOUSE BILL 79
A BILL FOR AN ACT RELATING TO STATE FUNDS
by
Jodie Maesaka-Hirata, Interim Director
Department of Public Safety

Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice-Chair

Tuesday, February 15, 2011, 3:00 PM
State Capitol, Room 308

Chair Oshiro, Vice-Chair Lee, and Members of the Committee:

The Department of Public Safety (PSD) strongly opposes House Bill 79, which will remove all special and revolving funds. There are a number of programs within PSD that are totally dependent on their special or revolving funds, and these programs would not be able to function or exist without the funds that would be repealed by this measure.

One special fund is the Crime Victim Compensation Special Fund (Section 351-62.5). We concur with the testimony provided by the Crime Victim Compensation Commission (CVCC) that the repeal of their special fund would mean the end of their entire commission and function, thereby leaving many victims without the compensation they have been receiving, including hospital, medical, funeral, or burial, expenses suffered by the victim.

Another special fund identified is the Federal Reimbursement Maximization Fund (Section 353C-7). This fund is known as the State Criminal Alien Assistance Program (SCAAP). According to the Federal Bureau of Justice Assistance, "beginning with FY 2007 SCAAP awards, SCAAP funds must be used for correctional purposes only." This would eliminate PSD's ability to strengthen its programs that promote inmates to be appropriately released back into the community. Among the programs that benefit are prison industries, pre-release and reentry, and training/education of offenders programs. PSD also uses this fund for construction and training for correctional officers.

The Correctional Industries Revolving Fund is the sole funding source for the Hawaii Correctional Industries program. All the staff positions, the purchase of materials needed to comply with the contracts that are the basis for the inmates work and labor in the program, and all costs associated with this very worthwhile and widely accepted program would be terminated. The loss of this program alone would have severe repercussions within PSD as well as within the community.

In addition, there is a Controlled Substance Registration Revolving Special Fund, which pays for the registration of all controlled substances, regulated chemicals, and medical marijuana, as well as the enforcement and registration personnel that conduct all these activities. If this fund were repealed, the State may not be able to comply with all the federal mandates and oversight that is currently required.

In conclusion, if all the special and revolving funds are repealed, PSD would have great difficulty in continuing with the above mentioned programs, if at all. The elimination of these programs would be detrimental to victims of crimes and to the public that has the right to be safe in their communities with expectations that PSD will continue to safely detain inmates while providing programs to help rehabilitate them, as well as to regulate and oversee the operation of the controlled substances within the state.

Based on these reasons, PSD strongly opposes this measure and requests that it be held.

Thank you for this opportunity to testify on this measure.

NEIL ABERCROMBIE
GOVERNOR



BRUCE A. COPPA
Comptroller

RYAN OKAHARA
Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
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WRITTEN TESTIMONY
OF
BRUCE A. COPPA, COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
February 15, 2011

H.B. 79

RELATING TO STATE FUNDS

Chair Oshiro and members of the Committee, thank you for the opportunity to submit written testimony on H.B. 79.

The Department of Accounting and General Services (DAGS) opposes H.B. 79.

The reason for our opposition to this bill is that section 2 of the bill would automatically repeal the authorization for all special and revolving fund accounts unless there is law that prohibits such action. Our special funds provide operating funds or receive funding which if transferred to the general fund would result in negative legal or tax ramifications.

The Spectator Events and Shows-Aloha Stadium special fund is an example of one which provides operating funding to the Aloha Stadium. The revenues from this special fund sustain the operations of the Aloha Stadium requiring no tax revenue to operate. It provides incentives

for the Stadium Authority and management to seek event opportunities to cover the costs of operations and maintenance of this venue.

In the second special fund scenario, the Wireless Enhanced 911 Fund (911 Fund) and the Works of Art Special Funds are examples of negative legal ramifications if these special funds were transferred to the general fund. In the case of the 911 Fund, the Attorney General has stated that moneys in this fund can only be used for wireless enhanced 911 initiatives by federal law. In the case of the Works of Arts Special Fund, the Attorney General has said that the tax exempt status of the general obligation bonds (which provides the revenue to this fund) could be lost if these funds were transferred to the general fund.

For revolving funds, the Legislative Auditor conducts audits at least every five years using the following general scope of work.

1. Evaluate the original intent and purpose of the fund as expressed by the legislature and as interpreted by the expending agency.
2. Assessment of the degree which the fund achieves its stated and claimed purpose.
3. Evaluation of the fund's performance standards established by the agency.
4. Summary statement of the fund's financial activity for the five year period being audited.

Based on the results of these audits conducted by the legislative auditor, recommendations to close the accounts are made to the expending agency if supported by the audit findings. We feel that this is rational and logical approach to determine the appropriateness of the existence of revolving accounts.

We also oppose H.B. 79 because it would repeal the authority for the Shared Services Technology Special Fund (Fund). The Fund was created to support the operations of the Chief

Information Officer (CIO) and the information technology steering committee. Without this funding, there will be no CIO and no IT strategic plan (the Plan) as the funding vehicle for Act 200, SLH 2010 will be eliminated. The CIO and the Plan are essential if the State is to leverage technology for improved operating efficiency and public access to data and online services.

In conclusion, we oppose the automatic repeal of the special and revolving funds and would request that the legislature consider utilizing a systematic approach to evaluating these funds such as that used by the legislative auditor to determine whether a special or revolving fund should be closed.

Thank you for the opportunity to submit written testimony on this bill.

NEIL ABERCROMBIE
GOVERNOR



SUNSHINE P. W. TOPPING
INTERIM DIRECTOR

STATE OF HAWAII
DEPARTMENT OF HUMAN RESOURCES DEVELOPMENT
235 S. BERETANIA STREET
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February 15, 2011

TESTIMONY TO THE
HOUSE COMMITTEE ON FINANCE

For Hearing on Tuesday, February 15, 2011
3:00 p.m., Conference Room 308

BY

SUNSHINE P.W. TOPPING
INTERIM DIRECTOR

House Bill No. 79
Relating to State Funds

(WRITTEN TESTIMONY ONLY)

TO CHAIRPERSON MARCUS R. OSHIRO AND MEMBERS OF THE COMMITTEE:

One of the purposes of H. B. No. 79 is to amend Chapter 37, Hawaii Revised Statutes, by adding a new section which automatically repeals all special and revolving funds in existence as of June 30, 2010, on June 30, 2012.

The Department of Human Resources Development is strongly opposed to this bill. Revenues for the department's special fund come from fees assessed for providing workers' compensation claims management services to the Charter Schools, Hawaii Public Housing Authority, and County of Hawaii; as well as conducting safety training requested by the counties; and are used to pay for operating expenses for the Employee Claims Division. Presently, eighty-five percent of other current expenses for the Employee Claims Division are covered by the special fund. Without the ability to retain the special fund, we will need to increase our general fund appropriation at a time when general funds are limited.

We strongly urge the Committees to hold this bill.



NEIL ABERCROMBIE
GOVERNOR

BRIAN SCHATZ
LT. GOVERNOR

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KEALI'I S. LOPEZ
INTERIM DIRECTOR

EVERETT KANESHIGE
DEPUTY DIRECTOR

TO THE HOUSE COMMITTEE ON
FINANCE

TWENTY-SIXTH LEGISLATURE
Regular Session of 2011

Tuesday, February 15, 2011
3:00 p.m.

**TESTIMONY ON HOUSE BILL NO. 79
RELATING TO STATE FUNDS.**

TO THE HONORABLE MARCUS R. OSHIRO AND MEMBERS OF THE COMMITTEE:

My name is Keali'i S. Lopez, and I am the Director of Commerce and Consumer Affairs ("DCCA" or the "Department"). The Department understands the intent of H.B. No. 79 and respectfully opposes Section 2 of the bill in its current form.

SECTION 2 OF HOUSE BILL NO. 79

Section 2 of H.B. No. 79 proposes to amend Chapter 37, Hawaii Revised Statutes, by adding a new section to part III which would require the repeal of all special and revolving funds in existence as of June 30, 2010. These funds shall be repealed on June 30, 2012. Although it is unclear whether H.B. No. 79 would specifically impact special funds managed by the DCCA, the Department offers comments relating to the potential repeal of these special funds.

Captive Insurance Administrative Fund

The Captive Insurance Administrative Fund is a special fund that was established by the legislature in 1998. The purpose of the fund was to pay for the costs of administering and regulating captive insurance companies in the state of Hawai'i. All premium taxes, application fees, annual license fees and examination fees paid by the insurance companies are deposited into this fund.

Captive insurance companies serve an important role for Hawai'i businesses by providing them with an alternative to the traditional commercial insurance market. In addition, by choosing to license as captive insurers in Hawai'i, these captive insurance companies also contribute a substantial amount to our economy. Hawai'i's captive insurance industry's growth over the last 10 years has resulted in 138% increase in the number of Captive Insurance Licensees.

The elimination of the Captive Insurance Administrative Fund would negatively impact the State's ability to manage these companies in an efficient and timely manner. This could result in these companies locating elsewhere since more than 30 other states actively recruit captive insurance companies to domicile in their state. Finally, the elimination of the fund would also make it more difficult for the State to monitor and investigate these companies in the event of a consumer complaint. The Department respectfully urges the Legislature not to amend or repeal the Captive Insurance Administrative Fund.

Compliance Resolution Fund

The Compliance Resolution Fund (CRF) was established pursuant to section 26-9(o), Hawaii Revised Statutes. The Department assesses fees and deposits them into the CRF for the issuance of licenses, permits, certificates, or registration, subsequent renewals, together with all other fines, income, and penalties collected or reimbursement of costs or attorneys' fees assessed as a result of actions brought by the Department. The funds are used to employ and train hearings officers, investigators, attorneys, accountants, and other necessary personnel for CRF funded operations, and defray other administrative costs, including costs of operating the supporting offices of DCCA.

The following programs are part of the CRF: Business Registration Division, Professional and Vocational Licensing Division, Regulated Industries Complaint Office, Office of Consumer Protection, the Director's Office with its supporting Offices of Administrative Services, Information Systems and Communications (ISCO), and Administrative Hearings, Division of Consumer Advocacy, Division of Financial Institutions, the Cable Television Division, and Insurance Division. Except for trust and other special funds with dedicated purposes¹, the CRF provides the sole source of funding for the Department.

¹ The Professional and Vocational Licensing Division has the following trust funds: Real Estate Recovery, Real Estate Education, Condominium Education, Contractor's Recovery, Contractor's Education, Real Estate Appraisers, Travel Agency Recovery, Travel Agency Education, all of which are managed and controlled by the respective licensing boards. The Insurance Division has the following trust funds: Insurance Commissioner's Education, Patient's Compensation Premium Taxes Paid, Service Contract Providers, Captive Insurance Companies LOC; and the following special funds: Driver's Education and Captive Insurance. The Regulated Industries Complaint's Office has the Motor Vehicle Arbitration trust fund, and the Office of Consumer Protection has a Restitution trust fund. Additionally, the Hawaii Hurricane Relief Fund Board is administratively attached to DCCA, and its Board of Directors (rather than the director of DCCA) manages and controls the Fund. These funds are not included in the CRF.

The Department's financial strategy requires generally that revenue-generating divisions secure revenues to cover division expenses, and contribute equitably to overhead costs, while ensuring that anticipated major improvements are addressed and a portion of next year's operating expenses is available. This ensures solvency of the fund and continuation of mandatory services to the public. It is important to note that the Department continues to experience reduced registration and license renewal revenues and expects that revenues will continue to fall for some time before they rise again. The Department's total revenues are projected to be \$4 million less in FY 2011 compared to FY 2010.²

The Department's 2010 Annual Compliance Resolution Fund Report to the Legislature provides an overview of the Department's successes and achievements during the year. The CRF provides the necessary critical funding for the department to uphold fairness and public confidence in the marketplace, promote sound consumer practices, and increase knowledge, opportunity, and justice in our community. The Professional and Vocational Licensing and Insurance Divisions alone, oversee well over 170,000 licenses. Repeal of the Compliance Resolution Fund would significantly impact the Department's ability to provide the services the public demands and deserves. Therefore, the Department respectfully urges the Legislature not to amend or repeal the Compliance Resolution Fund.

Driver Education Fund Underwriter's Fee

² Based on the CRF Financial Plan numbers.

The Insurance Commissioner assesses a driver education fund underwriter's fee of \$3 on each motor vehicle insurance policy and \$2 on each motorcycle or motor scooter insurance policy, which are deposited into the special driver's education fund account and motorcycle and motor scooter operators education fund, respectively. From the special drivers education fund, \$1 is allocated to the Judiciary and \$2 is allocated to the Department of Education for its drivers education program and the traffic safety education program, pursuant to HRS § 431:10C-115(c). Fees from the motorcycle and motor scooter operators' education fund are allocated to the Department of Transportation for its driver education program.

Section 11 of Act 192, Session Laws of Hawaii (2010) authorized the Director of Finance to transfer \$1.4 mil., or so much as necessary for fiscal year 2010-2011, from the Department's special driver's education fund account to the general fund on July 1, 2010. With the resulting \$1.4 mil., or so much as necessary for fiscal year 2010-2011 transfer, the special driver's education fund balance will be zeroed out.

Loss Mitigation Grant Fund

The loss mitigation grant program began on September 6, 2006, and was discontinued as of June 30, 2008 due to the expiration of the loss mitigation grant fund appropriation. There is approximately \$3.4 mil. remaining in the loss mitigation grant fund.

For fiscal year 2007-2008, the Insurance Division awarded 275 individual grants and 3 condominium association grants. The total grant payout was \$417,340. For fiscal year 2006-2007, the Insurance Division awarded 144 individual grants and 1

condominium association grant. The total grant payout was \$202,130. Administrative costs of operating and marketing the program over its entire life totaled \$191,189. The average individual grant amount was about \$1,166, suggesting that the average retrofit cost was about \$3,300.

Section 12 of Act 192, Session Laws of Hawaii (2010) authorized the Director of Finance to transfer \$3.2 mil., or so much as necessary for fiscal year 2010-2011, from the loss mitigation grant fund to the general fund on July 1, 2010. With the resulting \$3.2 mil. transfer, or so much as necessary for fiscal year 2010-2011, the loss mitigation fund balance as of December 31, 2010 is \$231,000.

SECTION 4 OF HOUSE BILL NO. 79

Section 4 of H.B. No. 79 proposes to terminate certain funds for which the statutory authority has been repealed and deposits the residual amounts in each fund to the general fund.

Pursuant to Act 41, SLH 1994, any amounts that remain in the travel agency recovery fund after payment of educational expenses or for recovery fund claims and expenses shall become part of the compliance resolution fund for use in travel agency related cases.

These funds were dedicated to specific statutory purposes to serve as a source of monetary recovery for consumers' claims against insolvent travel agencies, educate the licensees who were the contributors to the fund, and support increased government service demands by its licensees. However, based on the State Auditor's Report No.

10-09, the Department is moving forward with closing the Travel Agency Recovery Fund.

Summary of the Department's position

The Department is cognizant of the financial challenges facing our state, and is proactively taking steps to determine additional appropriate service payment options with other state departments for operations related services rendered to the DCCA. Additionally, the department has worked to right-size its fees over the past several years, which has resulted in reduced cash reserves. The Department is concerned that the effect of Section 2 of House Bill No. 79 would eliminate special funds within the DCCA which is the sole source of funding for the Department and result in significantly reducing the capacity and effectiveness of the Department to provide services. The Department supports the need to close the Travel Agency Recovery Fund.

We thank the House Committee on Finance for the opportunity to present testimony on this matter.

WRITTEN ONLY

TESTIMONY OF CARLITO P. CALIBOSO
CHAIRMAN, PUBLIC UTILITIES COMMISSION
DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE
HOUSE COMMITTEE ON FINANCE

FEBRUARY 15, 2011

MEASURE: H.B. No. 79

TITLE: Relating to State Funds.

Chair Oshiro and Members of the Committee:

DESCRIPTION:

This bill repeals, terminates, or closes certain revolving and trust funds; and establishes provisions for automatic repeal of certain special and revolving funds beginning on June 30, 2012. More specifically, Section 2 of the bill repeals all special and revolving funds in existence as of June 30, 2010 on June 30, 2012.

POSITION:

The Commission opposes Section 2 of this bill.

COMMENTS:

The Commission was established in 1913 by Act 89, SLH 1913, as a part-time, three member body with broad regulatory oversight and investigative authority over all public utility companies doing business in the Territory of Hawaii. This act, amended over the years and codified in Chapter 269, HRS, is the basis for utility regulation in Hawaii. The Commission's authority to regulate various classifications of motor carriers of passengers and property is derived from the Hawaii Motor Carrier Law (Chapter 271, HRS) enacted in 1961. Responsibility for all commercial water transportation carriers of persons and property within the State is derived from the Hawaii Water Carrier Act of 1974 (Chapter 271G, HRS).

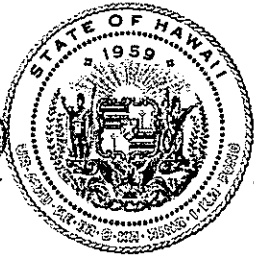
The Commission's primary purpose is to ensure that regulated companies efficiently and safely provide their customers with adequate and reliable services at just and reasonable rates, while providing regulated companies with a fair opportunity to earn a reasonable rate of return.

The Commission's Special Fund ("Special Fund"), which was established in Section 269-33, HRS, is used to cover the operating expenses of the Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs ("DCA"). Both the Commission and the DCA are totally dependent upon the Special Fund to operate, provide services to the public, and perform other duties mandated by law.

The Special Fund is primarily made up of monies paid by regulated public utilities, and which they collect from their customers to fund regulatory efforts.

Therefore, the Commission's Special Fund should not be repealed as currently included in Section 2 of this bill.

Thank you for the opportunity to testify.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
INTERIM DIRECTOR

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Statement of
RICHARD C. LIM
Interim Director
Department of Business, Economic Development & Tourism
before the
COMMITTEE ON FINANCE
Tuesday, February 15, 2011
3 PM
State Capitol, Conference Room 308

in consideration of
HB 79
RELATING TO STATE FUNDS.

Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance.

The Department of Business, Economic Development, and Tourism (DBEDT) opposes HB 79 which repeals special and revolving funds and deposits all unencumbered and unexpended funds into the state general fund. This measure would also require the submission of a budgetary request to the legislature for continued funding during the next legislative session.

Foreign Trade Zone Special Fund:

The DBEDT Foreign-Trade Zone Division (FTZ) has a special fund as established via its enabling legislation in HRS Chapter 212. The fund was established in the mid 1960s. All fees or other moneys collected under this chapter are deposited in the FTZ special fund. All moneys in the fund are appropriated for the purposes of, and expended by, the FTZ for the operation, capital improvement, and maintenance of the Zone.

The FTZ is a self-sufficient agency. It receives no general funds and has returned \$5 million to the general fund over the years. The Foreign-Trade Zone provides very unique services to those

companies importing to and exporting from Hawaii under a grant of authority from the federal government. We charge for all services which we provide to our clients, and, as such, a special fund for the FTZ makes good sense. In fact, we believe it is a good model to consider for other State agencies that provide these services to a specific target group of our economy and are willing to pay for such services.

The Foreign-Trade Zone provides services to nearly 250 different clients. Our clients are involved in importing and exporting goods into and from Hawaii. Revenue is received from the operation of the only FTZ warehouse complex in Hawaii (loading/ unloading of containers and movement of cargo into and out of the facility), rental of a warehouse in Hilo, small business incubator rental from offices at Pier 2, and fees from companies that operate other FTZ sites throughout Hawaii. Expenditures include payroll; maintenance services for our properties (elevator, security, landscaping, janitorial, refuse, etc.); utilities (water, electricity, etc.); repair of the building (e.g., plumbing, electrical, fire protection, etc.); and other miscellaneous costs. In this regard, we operate much like any private sector business serving a specific clientele.

Hawaii Television and Film Development Special Fund:

Similarly, we oppose Section 39, pages 65 through 69, which seeks to repeal the Hawaii Television and Film Development Board Special Fund, HRS 201-113. There is currently no balance in this fund and therefore its elimination would have no general fund impact. The fund was created to support the development of the local film industry, and there are measures going forward in this session that would allow for the fund's expansion. It is critical to the health and sustainability of our film and creative industry sectors to promote further self sufficiency of our state's film program. Elimination of this mechanism will compromise the potential for the deposit of non-general fund fees for services into the Hawaii Television and Film Development Special Fund.

DBEDT also opposes the repeal of the Energy Security Special Fund (Section 38, pages 63 -65); the repeal of the Renewable Energy Facility Siting Special Fund (Section 42, pages 72 - 73); and the repeal of the Hydrogen Investment Capital Special Fund (Section 46, pages 75 - 76).

Energy Security Special Fund:

The Energy Security Special Fund was created to support the Hawaii Clean Energy Initiative (HCEI), established by the State as a policy initiative, to manage the State's transition to a clean energy economy, Act 73, SLH 2010. The Funds' mandate also includes support to the Energy Division, funding staff, and conducting renewable energy projects.

The State's clean energy initiative has resulted in the adoption of major energy policies and regulatory transformation to facilitate Hawaii's transformation to clean, renewable, and sustainable energy economy. The State energy program and activities have brought in substantial amount of federal funds to help Hawaii pursue energy security and independence; induced and encouraged the inflow of capital investments for renewable energy projects totaling approximately \$345 million in 2009 and projected to increase to as much as \$1.2 billion in 2011; and induced and facilitated the creation of approximately 11,145 green jobs.

Elimination of the Energy Security Special Fund will seriously affect if not completely halt Hawaii's progress towards energy security and independence; reduce or eliminate the State's capability to support the statutory functions of the Energy Resources Coordinator mandated under Chapter 196 and 226, HRS; and diminish the State's capability to secure opportunities to obtain federal monies for energy initiatives. Eliminating the Energy Security Special Fund is not in Hawaii's best interest as it seriously affects our capability to achieve energy independence, and will instead perpetuate Hawaii's dependence on imported fossil fuel and vulnerability to global volatility in fuel prices.

Renewable Energy Facility Siting Special Fund (201N):

The Strategic Industries Division (SID) has been assigned responsibility for the Renewable Energy Facility Siting Process, HRS Chapter 201N, which is supported by the Renewable Energy Facility Siting (REFS) special fund. The program is designed to be self-funded. Fees are collected from applicants to cover the expenses associated with the coordination and facilitation of permit review and processing by other agencies.

There is currently no balance in this fund and therefore its elimination would have no general fund impact. Elimination of the special fund would eliminate the mechanism for funding DBEDT's statutory function to facilitate permitting of renewable energy projects, and would effectively eliminate the program. This could have potentially counterproductive revenue implications, since permitting delays could lead to project cancellation and the commensurate loss of income, excise, and other taxes that would have been generated by the projects.

Hydrogen Fund:

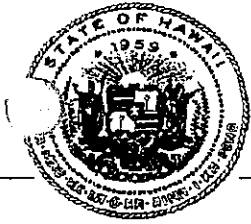
The Hydrogen Fund was created to provide seed capital for and venture capital investments in hydrogen initiatives. The investments are intended to develop partnerships with the private sector and secure federal funding in strategic renewable hydrogen technology ventures; Act 240, SLH 2006.

To date, partnerships with five companies have resulted in private equity and federal funds of \$56.6 million for hydrogen initiatives based on a State investment of \$2.9 million.

Elimination of this special fund would be counterproductive. The fund brings into Hawaii funding for hydrogen initiatives of particular interest to the federal government and the military; initiates new business opportunities; provides for employment income, excise, and other taxes generated by these projects; and offers workforce development opportunities in highly skilled positions.

The elimination of these special funds would have a serious impact on our operations, the benefits and services we provide to our clients, and ultimately the State's overall economic development efforts. We recommend that this measure be deferred.

Thank you for the opportunity to offer these comments.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

NEIL ABERCROMBIE
GOVERNOR
RICHARD C. LIM
INTERIM DIRECTOR
MARY LOU KOBAYASHI
PLANNING PROGRAM ADMINISTRATOR
OFFICE OF PLANNING

OFFICE OF PLANNING

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Statement of
MARY LOU KOBAYASHI
Planning Program Administrator, Office of Planning
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE
Tuesday, February 15, 2011
3:00 PM
State Capitol, Conference Room 308

in consideration of
HB 79
RELATING TO STATE FUNDS.

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance.

HB 79, in part, repeals Chapter 225M-7, HRS which establishes the Statewide Geospatial Information and Data Integration Special Fund.

The Office of Planning opposes the repeal of this fund. The primary purpose of the Statewide Geospatial Information and Data Integration Special Fund is to enable the Office of Planning (OP), as the overall coordinating agency for Geographic Information System (GIS) activities in Hawaii State Government, to have the opportunity to more effectively expend funds for GIS-related activities through better coordination of purchases that could benefit multiple agencies as well as the general public. Typically, State agencies do not have line items in their budgets to directly support GIS activities. As a result, purchases of data, licenses, applications and other GIS-related activities tend to be done in a piecemeal manner and lead to disjointed efforts. The Special Fund helps facilitate better coordination of such activities.

Thank you for the opportunity to comment on this bill.

NEIL ABERCROMBIE
GOVERNOR



KAREN SEDDON
EXECUTIVE DIRECTOR

STATE OF HAWAII

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM
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IN REPLY REFER TO:

Statement of
Karen Seddon
Hawaii Housing Finance and Development Corporation
Before the

HOUSE COMMITTEE ON FINANCE

February 15, 2011 at 3:00 p.m.
Room 308, State Capitol

In consideration of
H.B. 79
RELATING TO STATE FUNDS.

HHFDC ***strongly opposes*** H.B. 79. HHFDC does not receive any general fund appropriations for operations. The repeal of its revolving and special funds, particularly the Dwelling Unit Revolving Fund, would negatively impact the State's housing development programs and, consequently, the development of affordable and workforce housing.

HHFDC facilitates the development and preservation of affordable and workforce housing by providing resources to project developers and owners. Timeliness and flexibility are keys to the effectiveness of the housing programs. The state must be able to take advantage of opportunities in the private residential market, as well as meet development schedules. Delays in obtaining zoning or building permits on a single housing project would affect the repayment of loan funds which, in turn, could affect all projects that are financed by a revolving fund. Reliance on legislative appropriations would hinder private for-profit and non-profit developers from partnering with the state to build or preserve affordable housing due to the uncertainty and length of time to obtain financing.

Note also that many of HHFDC's funds are special funds that were established for accounting purposes. The bond special funds collect revenues to pay for debt service on the bonds issued.

The repeal of HHFDC's funds may also incur substantial litigation, because of existing fund commitments that have been made. For example, the Rental Assistance Revolving Fund (RARF) provides funding for rental subsidies to project owners under contract who provide units to qualified low-income households. Currently, 1204 units in 13 rental projects receive rental subsidies. If RARF were repealed, the State would be exposed to substantial liability for breach of long-term contracts unless legislative appropriations are made.

Thank you for the opportunity to testify.

NEIL ABERCROMBIE
GOVERNOR



STATE OF HAWAII
**CRIME VICTIM COMPENSATION
COMMISSION**

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LISA A. DUNN
Chair

L. DEW KANESHIRO
Commissioner

TOM WATTS
Commissioner

PAMELA FERGUSON-BREY
Executive Director

**TESTIMONY ON HOUSE BILL 79
RELATING TO STATE FUNDS**

by

Pamela Ferguson-Brey, Executive Director
Crime Victim Compensation Commission

House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn Lee, Vice Chair

Tuesday, February 15, 2011; 3:00 PM
State Capitol, Conference Room 308

Good morning Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance. Thank you for providing the Crime Victim Compensation Commission with the opportunity to testify in **strong opposition to the provisions in House Bill 79 that abolish the Crime Victim Compensation Commission.** House Bill 79 abolishes the Crime Victim Compensation Commission (the "Commission") by repealing the crime victim compensation special fund (the "Fund"). The provisions of this Bill operate to abolish the Commission because the Commission does not receive any general fund appropriations and is dependent solely on special funds and a matching federal VOCA grant from the Victims of Crime Act (VOCA). The Commission will no longer be eligible for the matching VOCA grant funds if special funds are no longer received (the federal match is based on special funds expended for victim compensation), and, in any case, the Commission will not be able to continue operating in the short term solely with the federal VOCA grant funds because only five percent (5%) of the VOCA grant funds may be used for operating expenses, including salaries.

The Commission urges the Committee to preserve the crime victim compensation special fund, and, in turn, the Commission for the following reasons:

1. **Many violent crime victims in Hawai'i will be financially, emotionally and physically devastated when there is no funding available to assist them with their crime-related expenses.**

The Commission was established in 1967 to mitigate the suffering and financial impact experienced by victims of violent crime in Hawai'i by providing compensation to pay unreimbursed crime-related expenses. If the Commission is abolished many violent crime victims in Hawai'i will not be able to afford to pay their medical bills, receive needed mental health or rehabilitative services, or bury a loved one. Hawai'i will be the only state in the Union without a compensation program to help victims of violent crime.

2. **The Commission is fiscally self-sufficient and no general funds have been appropriated for the Commission since FY 2003.**

From 1967 until 1999 the Commission was funded with general fund appropriations. Beginning in 1999, the portion of the Commission's funding from general funds began declining until, in 2003, general funds were no longer appropriated for the Commission. Since 2003, the Commission has received no general fund appropriations and has been funded solely by special funds and the federal match since then. At present, the Commission is funded solely from non-tax revenue¹ and matching federal VOCA funds.

3. **The Commission generates revenue for the state general fund.**

The revenue for the general fund is generated by the Commission through the payment of two mandatory assessments:

- A. the central service fee paid pursuant to Section 36-27, HRS, which provides that the Commission pay a 5 percent tax to the general fund on every dollar of non-tax revenue it receives; and
- B. the departmental administrative expense assessment paid pursuant to Section 36-30, HRS, which provides that the Commission pay its pro rata share of the administrative expenses of the department that houses its special fund.

The Commission pays between \$53,871.62 and \$117,282.00 per year to the general fund for these two assessments for a total of \$928,309.60 since the crime victim compensation fund was created in 1998.

4. **The Commission will lose its federal matching VOCA grant funds.**

The federal matching VOCA funds will be lost because there will be no state special funds to match. The federal VOCA grant provides a sixty percent (60%) match for every state dollar (of non-tax revenue) expended to compensate victims of violent crime. Eliminating the crime victim special fund means there will be no payments to victims of violent crime in Hawai'i, no staff to make those payments, and no matching federal VOCA grant. Eliminating the Commission's special fund compounds the loss of funds available to help victims of violent crime in Hawai'i due to the concomitant loss of the sixty percent (60%) federal VOCA matching funds.

¹ Commission revenue presently includes: Compensation Fees assessed against criminal offenders; restitution as reimbursement for compensation awarded; a 10% statutory assessment on certain inmate wages; interest income and federal matching VOCA funds.

5. **Fewer crime victims will receive restitution from inmates and parolees because the Commission will no longer be available to collect restitution from inmates and parolees.**

In 2003, the Commission began the Restitution Recovery Project, a pilot project to collect restitution from inmates and parolees and to disburse those funds to their crime victims or to the Commission in cases where the Commission previously provided a compensation award to the crime victim. Restitution is paid directly into the crime victim special fund to reimburse the Commission in cases where the Commission previously provided a compensation award to the crime victim for medical and mental health expenses, lost wages, or funeral costs. Those funds are then used to fund assistance for other crime victims. Restitution repayment generates between one percent (1%) and four percent (4%) of the Commission's nontax revenue.

During the life of the Project the Commission has opened over 3,200 restitution cases and collected and disbursed over \$1,300,000.00 in restitution and compensation fees from inmates and parolees. The collection of restitution from inmates and parolees² has increased significantly over the life of the Project. In the first year of the Restitution Project, the Commission collected more than \$46,000.00, and, in the past year, the Commission collected more than \$157,000.00, down from \$185,000.00 in FY09. The Commission believes that the significant increase in restitution collections over the life of the Restitution Project reflects the gradual institutionalization of restitution assessment and collection by the correctional facilities and the Paroling Authority.

Thank you for providing the Commission with an opportunity to testify in strong opposition to House Bill 79.

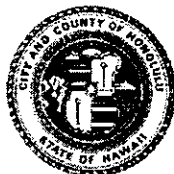
² Restitution payments are from inmates and parolees and do not include payments from inmates incarcerated as a condition of probation.

DEPARTMENT OF INFORMATION TECHNOLOGY
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 5TH FLOOR
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Phone: (808) 768-7684 Fax: (808) 527-6272 Internet: www.honolulu.gov

PETER B. CARLISLE
MAYOR



GORDON J. BRUCE
DIRECTOR & CIO

TESTIMONY
of
GORDON J. BRUCE, DIRECTOR AND CHIEF INFORMATION OFFICER
Department of Information Technology
City and County of Honolulu
before the
COMMITTEE ON FINANCE
on
Tuesday, February 15, 2011
3:00 p.m.
State Capitol, Conference Room 308

In consideration of
HOUSE BILL NO. 79 – RELATING TO STATE FUNDS.

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance.

As the Director of the Department of Information Technology for the City and County of Honolulu, I oppose HB 79.

DESCRIPTION:

This measure repeals certain special funds, including the Public Utilities Commission ("PUC") special fund, and transfers balances to the state general fund.

POSITION:

The City and County of Honolulu, as a member of the Wireless Enhanced 911 board, opposes this bill with respect to the repeal of Hawaii Revised Statutes section 138-3.

COMMENTS:

The measure seeks to repeal Section 138-3 of the Hawaii Revised Statutes that establishes the wireless enhanced 911 fund. E911 is the service that provides support for wireless phone users who dial 911, the standard number for requesting help in an

The Honorable Marcus R. Oshiro, Chair
The Honorable Marilyn B. Lee, Vice Chair
Committee on Finance
Testimony – HB 97, Relating to State Funds
Date: Tuesday, February 15, 2011
Time: 3:00 p.m.
Place: Conference Room 308, State Capitol
Page 2

emergency. Since wireless users are mobile, enhancement to 911 service is needed to allow the location of the user to be known to the call receiver or public safety answer point (PSAP). With more and more consumers relying upon cellular phone and voice over internet protocol (VOIP), the public's health and safety would be jeopardized if there is any compromise to the E911 service.

The Wireless Enhanced 911 board ensures that the surcharge on wireless users is properly utilized for E911 support, hardware, software, upgrades, and maintenance. It is vitally important to the health and safety of everyone in this state that the E911 fund is not jeopardized.

The Consumer Advocate appreciates the concerns of this legislature with the state's budget deficit and the desire to find as many possible sources of revenue to balance the state's budget. On the other hand, by placing the E911 fund into the general fund, the potential for compromise to the E911 service is too great a risk to the health and safety of consumers that this legislature should not consider doing so. For this reason, the Consumer Advocate, as a member of the Wireless Enhanced 911 board, opposes this bill with respect to the repeal of Hawaii Revised Statutes section 138-3.

Thank you for this opportunity to testify in opposition of HB 97.

Respectfully submitted,



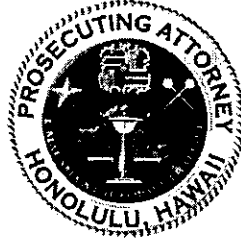
Gordon J. Bruce
Director and Chief Information Officer

DEPARTMENT OF THE PROSECUTING ATTORNEY
CITY AND COUNTY OF HONOLULU

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KEITH M. KANESHIRO
PROSECUTING ATTORNEY

ARMINA A. CHING
FIRST DEPUTY PROSECUTING ATTORNEY



THE HONORABLE MARCUS R. OSHIRO, CHAIR
THE HONORABLE MARILYN LEE, VICE CHAIR
HOUSE COMMITTEE ON FINANCE
Twenty-sixth State Legislature
Regular Session of 2011
State of Hawai'i

February 15, 2011

RE: H.B. 79; RELATING TO STATE FUNDS.

Good afternoon, Chair Oshiro, Vice Chair Lee, and members of the House Finance Committee, the Department of the Prosecuting Attorney, City and County of Honolulu submits the following testimony in strong opposition to H.B. 79 as it applies to the DNA Registry Special Fund, the Drug Demand Reduction Special Fund, the Domestic Violence and Sexual Assault Special Fund, the Child and Spouse Abuse Special Account in the Department of Human Services, the Crime Victim Compensation Special Fund, and the Spouse and Child Abuse Special Account in the Judiciary.

The purpose of this bill is to eliminate all existing State Special Funds on June 30, 2012 thus allowing additional revenues to accrue to the State General Fund, which presumably aids in addressing the anticipated, the continuing State budget shortfall.

While the elimination of the any of the funds cited in our testimony above will have a dramatic effect on public safety and victim assistance in our state, none would be more devastating than the proposed repeal of the Crime Victim Compensation Special Fund. This is a misguided effort at cost cutting that will most likely have the opposite effect, and will undoubtedly cost our state and our people far more than it saves. Since 1967 the Crime Victim Compensation program has been the bedrock of services to victims of violent crime in Hawaii. It is a payer of last resort that has rescued thousands of crime victims from financial and emotional destitution since its inception. Since this critical program operates entirely from the proceeds of their special fund, elimination of the fund is effectively giving the Commission a death sentence. Ending this fund would bring to a close a program which provides not only for financial remuneration for crime victims, but

it also offers an important gesture to victims of our collective apology for the wrongs that they have suffered due to crime. This is in stark contrast to the disparaging treatment often experienced by victims in our criminal justice system where they have traditionally been neglected and mistreated.

The Crime Victim Compensation Commission has done a marvelous job of developing self sufficiency in operating only from the assessment on offenders and Federal VOCA reimbursements that are deposited into the fund. This has meant that no General Fund dollars have been spent on this program since 2003. The real folly of the proposed destruction of this fund is loss of the many federal dollars (generated by assessments on offenders in Federal courts) that currently flow into Hawaii as part of the 60% match of the hundreds of awards made to crime victims by the Commission every year. It is hard to imagine a more penny wise, pound foolish approach to budget cutting than this proposal.

We strongly urge you to exempt the Special Funds noted above from repeal, as provided for in H.B. 79. Justice and compassion are equally served by saving these critical programs. Thank you for your time and consideration.

FEB. 15. 2011 10:04AM
LAN M. ARAKAWA
MAYOR

V/W DIV, PROS ATTY

NO. 5953 JCP. 2KIM
Acting Prosecuting AttorneyROBERT D. RIVERA
First Deputy Prosecuting Attorney

DEPARTMENT OF THE PROSECUTING ATTORNEY
COUNTY OF MAUI
WAILUKU, MAUI, HAWAII 96793
PHONE (808) 270-7695 • FAX (808) 270-6188

TESTIMONY IN OPPOSITION TO HB 79
Finance Committee
Tuesday, February 15, 2011, 2:00 p.m.

February 15, 2011

Dear Finance Committee:

I am strongly opposed to House Bill 79 which essentially eliminates the Crime Victims Compensation Commission (CVCC). It appears that the drafters of said bill have failed to or have refused to acknowledge that CVCC provides an invaluable service to victims who have suffered and are continuing to suffer from violent crimes. There is no other resource within the State of Hawaii that provides the financial services to victims who are in need of medical and/or psychological treatment.

Please consider the adverse affect that House Bill 79 will have among the many innocent victims who will be forced to struggle without any financial and medical support without the above funding. I strongly urge your Committee to repeal House Bill 79.

Very truly yours,

A handwritten signature in cursive script, appearing to read "R. Rivera".

ROBERT D. RIVERA, ESQ.
Deputy Prosecuting Attorney

William P. Kenoi
Mayor



Harry S. Kubojiri
Police Chief

Paul K. Ferreira
Deputy Police Chief

February 14, 2011

County of Hawai`i

POLICE DEPARTMENT

349 Kapi`olani Street • Hilo, Hawai`i 96720-3998
(808) 935-3311 • Fax (808) 961-2389

Representative Marcus R. Oshiro
Chair and Members
Committee on Finance
State Capitol
415 South Beretania Street, Room 308
Honolulu, Hawai`i 96813

Re: House Bill 79, Relating to State Funds

Dear Representative Oshiro and Members:

The Hawai`i Police Department strongly opposes the passage of House Bill 79, Relating to State Funds, as it relates to the repeal of the Special Fund created by Section 138-3, Hawaii Revised Statutes, Wireless Enhanced 911 (E911) Fund, and transfers the balance of the fund into the state general fund.

The Wireless E911 Fund was established exclusively for the purposes of ensuring adequate cost recovery for the deployment of Phase I and Phase II Wireless E911 services in the State of Hawai`i. Due to the ever-changing enhancements in wireless technologies and expanding consumer base, ensuring the deployment of Phase I and Phase II Wireless E911 services in the State is an on-going project for all of the Public Safety Answering Points (PSAP). Note that statistics indicate that throughout the State of Hawai`i at least 60% of the emergency calls received by PSAPs are wireless calls and this number is continuously increasing.

This fund and its intended purpose is to further upgrade Public Safety Answering Point capabilities and related functions in receiving and processing E911 calls in support of the County's Public Safety mission to expeditiously respond to and dispatch emergency service personnel based on E911 caller information. The fund also supports the construction and operation of a ubiquitous and reliable citizen activated system and the continued maintenance of the existing E911 system as identified in Federal Law.

For the record, it must be noted that the E911 system answers and responds to over 1.2 million 911 calls annually within the State of Hawai`i. In order to keep this system operational, the funds are necessary to provide for the delivery and enhancements to the existing E911 network in preparation for Next Generation 911 (NG 911). Interruption of this funding source from its intended purpose will not only cause a financial hardship on an already limited budget for the County of Hawai`i; but also puts the citizens of our County and our visiting tourists at risk of receiving reduced E911 services by our Public Safety responders.

Representative Marcus R. Oshiro
Chair and Members
Committee on Finance
February 14, 2011
Page 2

Re: House Bill 79, Relating to State Funds

As communication devices continue to be introduced to the public that implement the convergence of communications and information technology services over one device (Smart-phones), the need for improvement to the E911 network cannot be overstated. The PSAPs are already facing the rapidly emerging technology and are required by public law to answer E911 calls being delivered by several different modes of communications such as analog phone, digital voice, Voice over IP (VoIP), text messaging, streaming video messaging, and Telematics from vehicles (i.e., OnStar). All of these technologies are required to access the E911 network to enable callers to call 911 for emergency assistance.

Investment in the E911 systems and focus on data synchronization efforts have enabled first responders to successfully utilize the existing technology to respond to 911 emergency calls. Several success stories have been documented. For example, in December 2010, two hikers were lost on the trail at the Pu'u 'O'o volcano. Fortunately for these hikers, they were able to call 911 from their wireless phone and were rescued within an hour and ten minutes. Both hikers were not injured. In July 2009, Hawaii County Fire personnel airlifted a lost hiker to safety from a forested area in Kalapana. The hiker used his wireless phone to call 911. Fortunately, fire rescuers were able to locate the hiker before nightfall. The hiker had no shirt, water or food. First responders were able to locate the 911 callers, in both cases, using the latitude and longitude provided by the Wireless E911 network and databases.

In addition, the collected wireless funds have been utilized in support of ongoing wireless maintenance activities. In 2010, across all Wireless Service Providers (WSPs) providing wireless services on the island of Hawai'i, seventy-five (75) towers and 200 sectors were tested for accuracy and connectivity to the Wireless E911 network. Maintaining the E911 network and databases on a real-time basis are critical when it comes to saving lives and property.

For the reasons above, we strongly urge this committee to reject House Bill 79, Relating to State Funds.

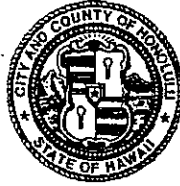
Thank you for allowing the Hawai'i Police Department to testify on this bill.

Sincerely,


HARRY S. KUBOJIRI
POLICE CHIEF

POLICE DEPARTMENT
CITY AND COUNTY OF HONOLULU

801 SOUTH BERETANIA STREET • HONOLULU, HAWAII 96813
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PETER B. CARLISLE
MAYOR

LOUIS M. KEALOHA
CHIEF

GELBERT T. TATSUYAMA
RANDAL K. MACADANGANG
DEPUTY CHIEFS

OUR REFERENCE JC-LS

February 15, 2011

The Honorable Marcus R. Oshiro, Chair
and Members
Committee on Finance
House of Representatives
State Capitol
Honolulu, Hawaii 96813

Dear Chair Oshiro and Members:

Subject: House Bill No. 79, Relating to State Funds

I am Janet Croteau, Major of the Communications Division of the Honolulu Police Department (HPD), City and County of Honolulu.

The HPD opposes House Bill No. 79. This bill would repeal section 138-3, Wireless Enhanced 9-1-1 Fund, of the Hawaii Revised Statute. It would also transfer the balance of the fund to the State's general fund.

By law, this fund should be used exclusively by the Wireless Enhanced 9-1-1 (WE 9-1-1) Board. The purpose of the fund is to ensure adequate cost recovery for the deployment of wireless enhanced 9-1-1 services, not to balance the State's general fund. This fund was raided previously for a total of \$16 million, which was transferred to the State's general fund. The prior raid made Hawaii ineligible to apply for federal grant monies that could have assisted us in purchasing Next Generation compatible equipment.

The HPD is the main Public Safety Answering Point (PSAP) for the City and County of Honolulu. We do not have sufficient funds to purchase the equipment to support Next Generation, as required by the New and Emerging Technologies Act of 2008. We need financial assistance. The \$0.66 surcharge applied to each wireless subscriber provides that assistance to all PSAPs. Individually the surcharge does not seem like a large sum of money. However, due to the large number of cellular telephone subscribers, this surcharge adds up to millions of dollars. Since its inception, the fund recovered between \$9 million and \$12 million annually.

The Honorable Marcus R. Oshiro, Chair
and Members
Page 2
February 15, 2011

In difficult times, this fund may seem like a luxury that should be used by the State to balance the budget. Additionally, it appears to be money that is readily available. However, we urge you to resist these thoughts and the temptation they encourage. The improvements that this fund supports could mean the difference between life and death.


The HPD is committed to providing the best communications and to deliver expeditious emergency services to every call. The WE 9-1-1 Board supports this commitment. As a result, the HPD urges this committee to hold the bill since it seriously affects our ability to provide 9-1-1 services to the community in which we serve.

Thank you for giving us the opportunity to express our opposition to this bill.

Sincerely,


JANET CROTTEAU, Major
Communications Division

APPROVED:


LOUIS M. KEALOHA
Chief of Police

FEB 15 2011 10:41AM
ALAN M. MAYOR
Mayor

V/W DIV. PROS ATTY



NO. 5954 P. 2

JOHN D. KIM
Acting Prosecuting AttorneyROBERT D. RIVERA
First Deputy Prosecuting Attorney

DEPARTMENT OF THE PROSECUTING ATTORNEY
COUNTY OF MAUI
WAILUKU, MAUI, HAWAII 96793
PHONE (808) 270-7695 • FAX (808) 270-6188

TESTIMONY IN OPPOSITION TO HB 79
House Finance Committee
Tuesday, February 15, 2011, 3:00 p.m.

To: The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

From: John D. Kim
Acting Prosecuting Attorney
Department of the Prosecuting Attorney
County of Maui

We have become aware of the possibility that the Crime Victim Compensation Commission funding maybe eliminated as a recipient of special funds from the state. Such an action would have a drastic impact on crime victim services.

The importance of providing services to crime victims in the state of Hawaii is apparent from the several legislative enactments that focus on just those services. From the presentence diagnosis report that should address the impact of the crime on the victim, to victim restitution, to the Victims' rights act, all as set forth in the Hawaii Revised Statutes, our state has dedicated itself to being responsive to crime victims. To now discontinue funding to the Crime Victim Compensation Commission would impair such services to victims and would be going back on our prior legislative resolve.

The Victim/Witness Assistance Division in our department has served thousands of violent crime victims and have utilized the services of the Crime Victim Compensation Commission. These are victims of brutal assault, fatal and near fatal vehicular accidents, homicide survivors, adult and child sex assault to name a few. These victims have sustained permanent and physical and emotional damage. Oftentimes, they incur huge medical bills and if they do not have medical insurance, they are left to fend for themselves. The CVCC has provided invaluable service by assisting these victims with their medical bills and counseling expenses.

We respectfully urge you to continue the much needed funding for the Crime Victim Compensation. It is hard enough for a person to experience being a victim of a crime; don't re-victimize victims by cutting a very vital support system designed to help them through the trauma involved in being a crime victim.

ALAN FEB. 15. 2011 10:41AM
Mayer

V/W DIV, PROS ATTY

NO. 5954 P. 3
JOYIN L. KIM
Acting Prosecuting AttorneyROBERT D. RIVERA
First Deputy Prosecuting AttorneyLENA LORENZO
DirectorCounselors
PAULA HEISKELL
RUTH MORI
GERALD POBLETE
CINDY LEE
SALLY ENGLERT

DEPARTMENT OF THE PROSECUTING ATTORNEY
VICTIM/WITNESS ASSISTANCE DIVISION
COUNTY OF MAUI
WAILUKU, MAUI, HAWAII 96793
PHONE (808) 270-7695 • FAX (808) 270-6188

TESTIMONY IN OPPOSITION TO HB 79
House Finance Committee
Tuesday, February 15, 2011, 3:00 p.m.

TO: The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

FROM: Lena Lorenzo, Director
Victim/Witness Assistance Division
Department of the Prosecuting Attorney
County of Maui

It is alarming to hear that there is a possibility of eliminating the funding of the Crime Victim Compensation Commission, the only statewide agency that solely provides financial assistance to crime victims. It is unfortunate that many vital human service programs are scrutinized during a time of budget shortfall. It is an unenviable task that is required of you this session.

I have worked in the field of human services for over twenty years, particularly with victims of crimes. Crime victimization is often faceless until you work in the field or become a victim yourself. It is difficult to understand the trauma and the horror of child sex assault, homicide survivor, rape victim, victim of an intimate partner, brutal assault and other hurt inflicted by one human being to another. Several legislation have been enacted including the creation of CVCC to focus on victim services. CVCC acknowledges the harm done to the victim by giving financial assistance to expenses they incurred due to their victimization. Such acknowledgment offer dignity and validation to the victims at a time in their lives when it seemed no one else would.

At the Victim/Witness Assistance Division, we provide services that include, but not limited to, crisis and short-term counseling, referral for financial assistance and social services, case information and notification, preparation for court testimony, court accompaniment, explanation of the judicial system, return witness program for visitors, and advocacy for victim rights. I have seen countless victims served by CVCC, victims that would otherwise be left with huge medical bills they incurred with no fault of their own.

In the Criminal Justice System, there are many, many rights afforded to the offenders. On the other hand, the victims, who did not ask or choose to be victimized, are left to fend for themselves. Besides the traumatic experience of losing trust and a sense of safety and security, the victims also incur expenses as a result of the crime. One example of a case we worked on was a case of road rage. A man in his forties passed a car carrying several young men in a country road. This infuriated the young driver and as he caught up with him, he hit his car several times, eventually pushed his car off the road and attacked the older driver. The victim had the presence of mind to call 911 for assistance. As he was on the phone, he was attacked by several young men beating him with a stick and gouging his eye. He suffered a concussion and extensive facial injuries including the loss of vision in one eye, in addition to the loss of his car. He incurred several thousands of medical bills. Although his medical bills far exceeded the limit CVCC could cover, the amount awarded to him was a tremendous help.

In a negligent injury case, a woman in her late forties was involved in a car crash, through no fault of her own. She suffered head injuries, torn aorta, broken hips and broken knees. Her medical bills are so extensive they already exceeded the benefits from the car insurance and CVCC award. After two years she is still undergoing medical treatments and will continue to have future medical needs. She filed for bankruptcy, lost her home and had to move back to her mother's house so her mother could care for her. Because of her injuries, she is unable to go back to work as a waitress. This victim continues to suffer emotionally, psychologically, and financially.

The above cases are just a couple of the many, many victims who suffer because of the criminal act of another person or persons. Had it not been for the assistance given by CVCC, the financial hardship would be a lot worse. While offenders are incarcerated and we continuously talk about their rights and rehabilitation, the victims suffer in silence trying to cope with the devastating effects of their victimization. The sole agency that tries to restore the victims' dignity by awarding financial assistance for counseling and other expenses is crucial to their healing process. Are we going to turn our backs on the plight of crime victims? The victimization does not have to be sensational making it in the front page of the newspaper or the television evening news. Crime victims go through the same traumatic experiences and unfortunately, incur expenses as a result of the victimization. They deserve the acknowledgment of the harm done to them and the support they need. Not providing funding for CVCC is a giant step backwards and obliterate the many years it has taken to develop the much needed service for crime victims. We strongly urge you to not cut this vital service to crime victims.

ALAN FEB. 15. 2011 10:41AM
Mayor

V/W DIV, PROS ATTY



NO. 5954 P. 6
JOHN L. KIM

Acting Prosecuting Attorney

ROBERT D. RIVERA
First Deputy Prosecuting Attorney

LENA LORENZO
Director

Counselors
PAULA HEISKELL
RUTH MORI
GERALD POBLETE
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SALLY ENGLERT

DEPARTMENT OF THE PROSECUTING ATTORNEY
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COUNTY OF MAUI
WAILUKU, MAUI, HAWAII 96793
PHONE (808) 270-7695 • FAX (808) 270-6188

TESTIMONY IN OPPOSITION TO HB 79
House Finance Committee
Tuesday, February 15, 2011, 3:00 p.m.

To: The Honorable Marcus Oshiro, Chair
The Honorable Marilyn Lee, Vice Chair

From: Gerald M. Poblete
Victim/Witness Counselor
Department of the Prosecuting Attorney
County of Maui

My colleagues and I have been made aware that the Crime Victim Compensation Commission may be discontinued due to funding re-appropriation as described by HB 79. I am writing this letter to you out of fear. I fear for our victims and I fear for us because as you are most likely aware, we all can be victims of crime at any time.

I am a Victim/Witness Counselor and I have been doing this job for nearly fourteen years. Through these enlightening years I have had the honor to serve thousands of victims. Without the services of CVCC, many, if not most of our community's victims would be without monetary compensation for medical bills, burial of family members, lost wages, and pain and suffering.

I think about a particular victim who I assisted with victim services. At the time of victimization a male in his late twenties had only been residing in our state for approximately one month. He was employed with one of the Taxi Companies on Maui. As he was driving to a call in Wallea, a male also in his twenties jumped the island median and rammed head-on with the victim. Apparently, as stated by the victim, the defendant moved his vehicle backwards only to ram him again as he sat injured and helpless in his taxi.

Suffice it to say, he had extensive injuries including internal hemorrhaging and one leg smashed into pieces. To this day the victim limps painfully with a cane. Subsequently, he lost his job and could not work for years. Eventually he and his ill mother was evicted from their home. They even lost most of their possessions because they could not keep up with their storage fees even with the help of some emergency funds that we made available to them.

Furthermore, we made attempts to place this gentleman and his mother in a shelter. Due to taking oxycontin for chronic pain, he failed his blood test multiple times in the efforts to find state funded shelter. This left the victim quite frustrated and very discouraged. These setbacks

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V/W DIV, PROS ATTY

AO. 5954 P. 7

resulted in the victim and ill mother living out of their car. I remember bringing them food and water as they lived from parking lot to parking lot.

The day came when a CVCC check for a several thousands of dollars arrived for them. I searched for the victim and mother and finally found them resting at a mall parking lot in town and was elated to bring them the great news and check. The victim and mother were in tears to say the least. Surely, the CVCC assistance that they received provided them with some comfort and the means to get back on their feet. Our victim is rehabilitating well and I believe is currently working.

In short, the Crime Victim Compensation Commission is essential in providing hope and comfort to many of our citizens. In regards to HB 79, please reconsider the invaluable service that this commission does for us all. Thank you.

ALAN M. A. FEB. 15. 2011 10:41AM
Mayor

V/W DIV, PROS ATTY



NO. 5954

J. E. KIM
Acting Prosecuting Attorney

ROBERT D. RIVERA
First Deputy Prosecuting Attorney

LENA LORENZO
Director

Counselors
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February 15, 2011

House Finance Committee
State of Hawaii

RE: Relating to State Funds HB 79

Aloha:

My name is Paula Ann Heiskell. I have been a Victim Witness Counselor for the Department of the Prosecuting Attorney's Office, Maui, Hawaii for over 20 years. I have assisted hundreds of children and adult crime victims and their families.

The **Crime Victim Compensation Fund** have been a tremendous help to pay for medical expenses, therapy for the sex assault victims, funeral expenses, and several other areas.

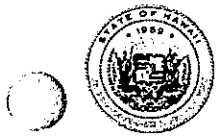
I would like to give you an example of how this Fund was invaluable in a recent case:

A 13 year old female was brutally sexually assaulted for over 5 years by her step-father. Crime Victim Compensation paid for her much needed counseling. As a result this wonderful girl was able to be **restored, strengthen** and continues to **excel** in her school and sport activities. This would have **NOT been possible** without the assistance of the Crime Victim Compensation funds.

I understand that State funds are limited, but please **do not** cut this Fund. Our most vulnerable group of crime victims need your kokua.

Sincerely,

Paula Ann Heiskell, M.S.W., L.S.W.
Victim Witness Assistance Counselor



HAWAII COMMUNITY DEVELOPMENT AUTHORITY



KAKAOKO
KALAELOA

Neil Abercrombie
Governor

C. Scott Bradley
Chairperson

Anthony J. H. Ching
Executive Director

461 Cooke Street
Honolulu, Hawaii
96813

Telephone
(808) 594-0300

Facsimile
(808) 594-0299

E-Mail
contact@hcdaweb.org

Web site
www.hcdaweb.org

STATEMENT OF

ANTHONY J. H. CHING, EXECUTIVE DIRECTOR
HAWAII COMMUNITY DEVELOPMENT AUTHORITY

BEFORE THE

HOUSE COMMITTEE ON FINANCE

TUESDAY, FEBRUARY 15, 2011

3:00 P.M.

State Capitol, Conference Room 308

H.B. 79 – RELATING TO STATE FUNDS.

Purpose: Automatically repeals existing special, revolving and trust funds. Amends Chapter 37, Hawaii Revised Statutes to automatically repeal all special and revolving funds in existence as of June 30, 2010 on June 30, 2012; Requires any fund administrator to submit a budget request to the legislature prior to date of repeal to carry out the purposes of the repealed fund.

Position: While the HCDA defers to other departments and agencies impacted by the proposed repeal of existing, special and revolving funds specified in Section 2 of this proposal, we oppose the repeal of revolving funds previously established by the Legislature relating to the Kakaako Community Development District (§206E-16) and the Kalaeloa Community Development District (§206E-195).

Revolving Funds Transparency and Accountability. The HCDA was created as a public corporate instrumentality of the State of Hawaii to plan and administer community redevelopment in districts identified by the State Legislature. To enable the HCDA to carry out its statutorily mandated duties and functions, promote transparency and public accountability of its finances, the

Legislature established the Hawaii community development revolving fund (§206E-16) and Kalaeloa community development revolving fund (§206E-195). Repealing these funds and transferring the balances to the general fund will greatly diminish the HCDA's capacity to carry out these duties and functions.

The above-mentioned funds are required to accomplish the unique requirements of district redevelopment. For example, the HCDA deposits moneys it collects from private developers in lieu of land dedicated for public facilities and expends these funds to develop, upgrade and maintain public facilities such as roads, parks and open spaces in its community development districts. The HCDA also deposits money it receives from private developers in lieu of affordable housing units in the revolving funds and expends such funds for the development of affordable units (i.e., the HCDA executed a \$15 million loan to fund the construction of the Halekauwila Place, a 204 affordable rental unit project).

Impact on Current Project Management. Given current project time tables, repeal of these revolving funds and the resulting loss of funds will jeopardize the completion of projects previously approved by the Authority, encumbered and in various stages of completion. The requirements of these various projects would not tolerate the delay and requirements for submitting a request for general fund appropriation in the future as specified by the proposal.

Meet the Criteria for Revolving Funds. Furthermore, the HCDA's revolving funds continue to meet the criteria for revolving funds provided on Page 3 of the State Auditor's Report No. 10-09. Both funds:

- 1) continue to serve its original purposes by funding projects within the Kakaako and Kalaeloa districts;
- 2) have a clear link between the benefit sought and charges made upon the users;
- 3) are self-sustaining and have never required general fund appropriations; and

- 4) serve as an appropriate financing mechanism for the HCDA's programs and projects.

As the Hawaii community development revolving fund and Kalaeloa community development revolving fund remain critical tools for the HCDA, supports the work of the agency and provides for public improvements within the HCDA's community development districts, I respectfully request that repeal of the HCDA's revolving funds relating to the Kakaako Community Development District (§206E-16) and the Kalaeloa Community Development District (§206E-195) is not pursued at this time.

Thank you for the opportunity to provide testimony in opposition to particular specifications of this proposal.



STATE OF HAWAII
HAWAII TEACHER STANDARDS BOARD
650 IWILEI ROAD, SUITE 201
HONOLULU, HAWAII 96817

TESTIMONY BEFORE THE HOUSE FINANCE COMMITTEE

Re: HB79 Relating to State Funds

Hearing Date: February 15, 2011, 3:00 pm

Terry Lynn Holck, Chairperson, Hawaii Teacher Standards Board

Chairperson Oshiro, Vice Chair Lee and Members of the Finance Committee:

The Hawaii Teacher Standards Board (HTSB) **STRONGLY OPPOSES** HB79: Relating to State Funds. The HTSB develops state performance standards for teachers, oversees their licensing and license renewal process, approves and monitors licensure testing, approves Hawaii teacher education programs and administers National Board for Professional Teaching Standards support. Over ninety percent of the Board's funding to support licensing and operations is derived from teacher license fees of \$48 per year, or \$240 for the five year license, all of which is deposited into the HTSB's special fund established by §302A-806. To repeal this fund and return teacher license fees to the state treasury will potentially render the Board unable to carry out its function of licensing teachers because it would then need to rely completely on general fund appropriations at a time when those funds are not sufficient to support other state activities and initiatives. It's likely that with competing interests funding to the HTSB will suffer and as a result, teacher licensing will cease. The impact to the DOE and its Race to the Top award will be negatively impacted. The very foundation to ensure only qualified teachers teach our children will fall apart. We believe this proposal is counterproductive to the State's high priority on qualitative education.

Should Hawaii cut funds to the HTSB it will send the message across our state and across the country, all the way to the US Department of Education, that Hawaii's keiki and their education are not a priority. For at the heart of learning is a qualified teacher. At a time when the Department of Education is working steadfastly to prove that it indeed deserves Race to the Top funds, our state cannot afford to abandon a Standards Board for teachers. All professions hold themselves accountable to the public and their constituents via a professional licensing board. To cut off funding to this Board says that the state does not uphold teaching as a profession. In the last year, the Board deployed its online licensing system and implemented the license renewal process. It would be a giant step backward for P-12 education after we have made so much progress.

We ask you to allow the HTSB's special fund to continue to support the work of the Board to fill Hawaii's classrooms with properly trained teachers. Please do not send the wrong message to others that Hawaii has abandoned the profession of teaching at a time when the HTSB, the Department of Education and the teaching profession are all working together to improve P-12 education for all children.

Thank you for the opportunity to testify.



RICHARD BURNS
STATE LIBRARIAN

STATE OF HAWAII
HAWAII STATE PUBLIC LIBRARY SYSTEM
OFFICE OF THE STATE LIBRARIAN
44 MERCHANT STREET
HONOLULU, HAWAII 96813

**House Committee on Finance
February 15, 2011, 3:00 p.m.
State Capitol, Room 308**

HB79 - Relating to State Funds

The Hawaii State Public Library System (HSPLS) strongly opposes HB79. This bill proposes to repeal or eliminate the Libraries Special Fund (Section 312-3.6 HRS) and the Library Enhanced Services program (Section 312-21 & 22). The Libraries Special Fund is comprised primarily of fines, other library charges and fees, and privately donated moneys, and was established to support HSPLS, by supplementing our book and materials budget. We have enclosed our total book and materials expenditures dating back to FY 1991, broken down by means of financing and adjusted to the Consumer Price Index factor in the declining value of our purchasing dollar. As you can see, we have grown to rely mostly on our special fund collections because our general funds have continued to decrease. In fact, all general funds expended during the past three fiscal year's for books and other library materials have come from vacancy savings and staff turnover savings. There were no general funds budgeted for Library books and materials during these past fiscal years. We are also providing copies of the statutorily required annual reports to the Legislature for both Special funds for FY 2010

The Legislative Auditor reviewed these funds in "Loss of Budgetary Control: A Summary Report of the Review of Special and Revolving Funds (Report No. 92-14)" and its July 2001 report entitled "Update of the 1992 Summary of Special and Revolving Funds" (copies of both reports can be furnished upon your request). In both reports, the Auditor found that the Library System's Special Funds' existence was justified and recommended that they be continued. It was found that a clear linkage exists between the benefits sought from this fund and the fees charged to the users. In other words, this is a fair and equitable system under which only the public utilizing these HSPLS library services is assessed the associated fines, fees and charges.

The Library Enhanced Services program was permanently established in Act 327, and amended in Act 029, SLH 1999. It was initially conceived to provide HSPLS with an alternative and additional revenue stream to fund these enhanced services, but now like the Libraries Special Fund (see above) we depend on it for our book and materials purchases, which constitute the primary core service of HSPLS. The Enhanced Services program has proven to be a viable, user supported service that is an essential asset for the Library System.

Without these two special funds, HSPLS will not be able to develop even a basic set of collections (i.e. reference materials; children, young adult collections; online and print subscriptions; new formats such as e-books, etc.) for our patrons and the public. Due to rising overall costs, expensive new editions and updates, an ever-

increasing variety of format options, and inflationary factors limiting our purchasing power, we have been forced to become even more selective and efficient in our materials acquisitions and collection development decisions. Eliminating these funds, even temporary, would decimate our library system to the point where it would take years to recover, if recovery is even possible.

In summary, both of these Special Funds are critical to HSPLS' basic core operations. They provide our primary funding for our library collections, and the moneys collected come exclusively from library supporters and users benefiting from these collections and services. We have met and continue to support the Legislative intent and purposes for which they were created. As was stated previously in the Legislative Auditors' reports, these fees and charges are fair and equitable only being assessed to our users and patrons of the public library system. It is not an arbitrary assessment, tax or fee that is imposed on every member of the general public. We respectfully request that the committee spare these Special Funds from repeal or elimination and allow them to continue to support HSPLS and our mission, which is to provide access to quality, current materials and collections for all of Hawaii's people. Thank you for the opportunity to testify on this bill.

**HAWAII STATE PUBLIC LIBRARY SYSTEM
EXPENDITURE & ENCUMBRANCE REPORT OF LIBRARY MATERIALS
FY 1991 THROUGH FY 2010**

Fiscal Year	General	Special	Federal	Total	Cumulative CPI*	Inflation Adjusted (CPI)	% of FY 94
1990-91	2,348,476	19,826	16,428	2,384,730			
1991-92	3,026,600	346,468	54,139	3,427,207			91%
1992-93	2,973,685	599,592	37,623	3,610,900			96%
1993-94	2,643,460	973,961	144,191	3,761,612	0.0%	3,761,612	100%
1994-95	1,310,018	1,372,865	50,121	2,733,004	3.6%	2,634,615	70%
1995-96	535,344	985,385	517,603	2,038,332	6.2%	1,911,955	51%
1996-97	694,940	903,333	53,333	1,651,606	7.4%	1,529,387	41%
1997-98	225,762	1,078,894	-	1,304,656	7.0%	1,213,330	32%
1998-99	670,586	853,879	-	1,524,465	8.8%	1,390,312	37%
1999-00	763,680	791,829	-	1,555,509	11.8%	1,371,959	36%
2000-01	1,380,182	1,439,811	-	2,819,992	13.9%	2,428,013	65%
2001-02	1,804,436	747,685	-	2,552,121	15.8%	2,148,886	57%
2002-03	1,670,836	381,770	-	2,052,606	20.0%	1,642,085	44%
2003-04	1,826,754	1,403,769	-	3,230,522	26.1%	2,387,356	63%
2004-05	3,037,158	1,682,750	-	4,719,908	33.3%	3,148,179	84%
2005-06	2,052,020	2,561,658	-	4,613,678	44.9%	2,542,136	68%
2006-07	1,236,600	1,666,728	-	2,903,328	55.0%	1,306,498	35%
2007-08	1,870,931	1,603,938	-	3,474,869	64.3%	1,240,528	33%
2008-09	369,686	1,947,589	-	2,317,275	65.5%	799,460	21%
2009-10	965,917	994,923	-	1,960,840	Not Available		

Note: The expenditure does not include subscription expenses

*CPI from 2009 State Databook Table 14.03 (1984 to 2009)



EXECUTIVE CHAMBERS
HONOLULU

NEIL ABERCROMBIE
GOVERNOR

December 29, 2010

The Honorable Calvin K. Y. Say, Speaker
and Members of the House of Representatives
Twenty Sixth State Legislature
State Capitol, Room 431
Honolulu, Hawaii 96813

per Speaker and Members
per Mr. Speaker and Members of the House:

For your information and consideration, I am transmitting herewith two (2) copies of the Hawaii State Public Library System's Annual Report for fiscal year ending June 30, 2010. The reports are prepared by the Hawaii State Public Library System, Department of Education, pursuant to Act 129, SLH 1989 (Library Fines and Lost Books) and Act 327, SLH 1993 (Library Fee for Enhanced Services) as amended by Act 45, SLH 1999.

In accordance with Section 93-16, Hawaii Revised Statutes, I am also informing you that the report will be available electronically at www.state.hi.us/budget.

Sincerely,
Handwritten signature of Neil Abercrombie in black ink.
NEIL ABERCROMBIE

Enclosures

bc: Governor's Office-Policy Team
Lieutenant Governor's Office
Legislative Reference Bureau
Legislative Auditor
Department of Budget and Finance

**HAWAII STATE PUBLIC LIBRARY SYSTEM
ANNUAL REPORT TO THE LEGISLATURE
LIBRARY FINES AND LOST BOOKS SPECIAL FUND
FISCAL YEAR 2010
July 1, 2009 To June 30, 2010**

Cash balance as of July 1, 2009 **\$ 1,390,747.38**

Sources of Revenue

Revenues from Fines	926,796.56
Revenues from Lost Books & Materials	76,057.28
Interest earned from Investment Pool	16,559.17
Donation from Taxpayers	67,674.00
Correcting Entry (for DOE-Schools)	<u>672,480.00</u>

Total Revenues for the Fiscal Year 2010 1,759,567.01

Expenditures

Library Books and Materials	754,039.07
B&F Central Services and Administrative Services Assessment	<u>94,432.00</u>

Total Expenditures for the Fiscal Year 2010 848,471.07

Cash balance as of June 30, 2010 **\$2,301,843.32**

Allocations to the Libraries

	FY 2010	FY 2011
Hawaii State Library	82,350	174,057
Library For The Blind	6,638	750
WOLD-Aiea	28,238	38,258
WOLD-Ewa Beach	14,738	12,409
WOLD-Mililani	43,650	43,788
WOLD-Pearl City	39,938	37,236
WOLD-Salt Lake	29,250	28,639
WOLD-Wahiawa	12,038	16,827
WOLD-Waialua	13,500	28,412
WOLD-Waianae	11,588	25,276
WOLD-Waipahu	22,050	31,136
WOLD-Kapolei	69,638	85,646
EOLD-Aina Haina	24,075	24,915
EOLD-Hawaii Kai	-24,638	26,327
EOLD-Kahuku	9,563	8,540
EOLD-Kailua	44,325	46,574
EOLD-Kaimuki	51,413	59,184
EOLD-Kalihi-Palama	27,450	141,659
EOLD-Kaneohe	44,325	40,923
EOLD-Liliha	31,275	30,938
EOLD-Manoa	35,550	47,604

Library

EOLD-McCully-Moiliili	52,301	75,136
EOLD-Waikiki-Kapahulu	22,613	49,802
EOLD-Waimanalo	7,988	12,646
HLD-Bond	7,988	19,004
HLD-Hilo	70,875	121,672
HLD-Holualoa	1,350	3,443
HLD-Honokaa	4,838	15,286
HLD-Kailua-Kona	27,000	51,106
HLD-Keaau	9,113	28,730
HLD-Kealahou	4,388	8,991
HLD-Laupahoehoe	4,275	8,073
HLD-Mountain View	7,425	18,757
HLD-Pahala	3,038	5,936
HLD-Pahoa	18,000	53,661
HLD-Parker	18,675	47,174
HLD-Naalehu	6,075	12,565
MLD-Hana	3,600	11,335
MDL-Kahului	32,738	58,802
MLD-Lahaina	10,913	26,446
MLD-Lanai	7,650	34,106
MLD-Kihei	19,800	32,886
MLD-Makawao	18,900	26,083
MLD-Molokai	7,650	26,986
MLD-Wailuku	12,375	27,599
KLD-Hanapepe	8,213	22,121
KLD-Kapaa	15,188	57,042
KLD-Koloa	14,175	48,027
KLD-Lihue	19,463	58,949
KLD-Princeville	17,550	74,652
KLD-Waimea	4,613	13,886
Total	<u>1,125,000</u>	<u>2,000,000</u>

TSS=Technical Services Section
WOLD = West Oahu Library District
EOLD = East Oahu Library District
HLD = Hawaii Library District
MLD = Maui Library District
KLD = Kauai Library District

HAWAII STATE PUBLIC LIBRARY SYSTEM									
REVENUE REPORT FOR FINES & LOST BOOKS SPECIAL FUND									
SOURCES OF RECEIPTS BY INDIVIDUAL LIBRARIES									
FOR THE FISCAL YEAR ENDED JUNE 30, 2010									
COST CTR	LIBRARY	FINES JUVENILE	FINES ADULT	FINES COLL. AG.	FINES ILL	LOST LIB. MATERIALS	PROC. FEE LOST BOOKS	MISSING BARCODES	TOTAL REVENUE
2109	COLLECTION FR C/A	-	-	23,161.90	-	-	-	-	23,161.90
3009	LBPB	3.00	224.75	-	-	-	-	-	227.75
3519	HSL	6,028.90	45,403.84	10,069.03	2.90	5,310.75	1,549.00	124.90	68,489.32
4059	AIEA	4,097.05	14,461.58	1,985.15	-	1,727.48	475.00	6.00	22,752.26
4109	EWA BEACH	4,214.38	6,837.04	3,181.95	-	613.02	295.00	-	15,141.39
4209	MILILANI	8,301.81	26,672.86	4,344.22	-	1,682.85	821.00	183.82	42,006.56
4309	PEARL CITY	4,559.86	21,370.12	3,709.34	-	1,324.36	630.00	10.00	31,603.68
4359	SALT LAKE	5,072.14	15,453.12	4,442.92	2.00	1,629.68	765.00	-	27,364.86
4409	WAIHAWA	1,634.67	6,988.49	2,021.50	-	344.26	125.00	4.00	11,117.92
4459	WAIALUA	2,416.85	10,693.80	1,183.15	-	528.64	254.50	2.00	15,078.94
4509	WAIANA	2,209.48	8,220.70	2,569.48	-	768.20	255.00	4.00	14,026.86
4559	WAIPAHU	3,870.92	11,967.92	4,127.94	-	846.28	400.00	6.00	21,219.06
4909	KAPOLEI	14,425.44	36,692.30	10,932.56	-	4,465.92	1,646.50	85.45	68,248.17
5059	AINA HAINA	3,496.46	13,171.28	1,563.43	-	840.84	415.00	12.00	19,499.01
5109	HAWAII KAI	3,110.60	13,483.86	1,349.50	-	597.13	350.00	8.00	18,899.09
5159	KAHUKU	2,074.35	3,886.43	1,306.17	-	331.80	145.00	4.00	7,747.75
5209	KAILUA	6,062.91	29,947.55	4,161.82	2.00	1,640.84	605.00	4.00	42,424.12
5259	KAIMUKI	7,884.41	34,587.62	4,849.77	-	3,356.65	1,079.00	8.00	51,765.45
5309	KALIHI-PALAMA	6,376.28	12,384.46	3,051.57	-	2,177.07	505.00	2.00	24,496.38
5359	KANEHOE	6,393.88	22,212.56	4,249.14	2.00	1,729.29	607.50	18.00	35,212.37
5409	LILIHA	6,036.81	11,674.23	2,386.51	-	1,086.11	530.00	2.00	21,715.66
5459	MANOA	2,094.64	9,104.74	905.53	-	973.27	320.00	2.00	13,400.18
5509	MCCULLY-MOILIILI	3,962.56	22,918.75	3,596.83	-	1,466.03	609.00	481.10	33,034.27
5559	WAIKIKI-KAPAHULU	1,538.01	13,158.08	1,599.10	10.50	918.51	322.45	16.00	17,562.65
5609	WAIMANALO	1,133.73	3,537.30	892.35	-	416.78	170.00	2.00	6,152.16
6059	BOND MEMORIAL	1,703.67	7,789.05	1,304.72	-	700.21	250.00	4.00	11,751.65
6109	HILO	7,481.46	43,284.59	7,663.93	0.35	4,489.99	1,424.00	15.00	64,359.32
6159	HOLUALOA	5.05	68.15	-	-	-	-	-	73.20
6209	HONOKAA	808.70	5,022.86	679.97	-	738.40	210.00	-	7,459.93
6259	KAILUA-KONA	2,851.15	15,704.97	3,147.15	-	1,258.96	485.00	21.99	23,469.22
6309	KEAAU	1,615.86	4,442.56	545.35	-	687.32	209.50	-	7,500.59
6359	KEALAKEKUA	656.84	3,795.17	193.76	-	190.04	104.45	-	4,940.26
6409	LAUPAHOEHOE	417.15	2,215.32	401.30	-	131.54	55.00	2.00	3,222.31
6459	MOUNTAIN VIEW	799.41	2,871.57	562.48	-	365.29	159.00	-	4,757.75
6509	PAHALA	77.75	250.50	69.70	-	(25.01)	7.00	-	379.94
6559	PAHOA	499.90	4,268.45	981.77	-	882.44	250.00	-	6,882.56
6609	THELMA PARKER	2,354.81	11,823.97	1,987.53	-	1,098.55	585.00	6.00	17,855.86
6659	NAALEHU	1,473.73	4,307.90	436.05	-	162.06	57.00	-	6,436.74
7109	HANA	814.14	3,307.90	274.13	2.20	146.72	67.50	-	4,612.59
7209	KAHULUI	3,205.74	14,210.99	2,653.86	-	1,067.84	478.00	22.00	21,638.43
7309	LAHAINA	977.31	7,034.29	582.29	-	148.79	129.50	1.00	8,873.18
7409	LANAI	1,248.59	4,168.07	567.05	-	614.64	230.00	-	6,828.35
7509	KIHEI	2,362.79	16,999.16	2,005.25	1.75	714.64	250.00	-	22,333.59
7609	MAKAWAO	1,658.77	15,382.49	2,066.38	2.00	583.28	220.00	-	19,912.92
7709	MOLOKAI	1,207.81	5,436.10	1,497.82	-	858.18	295.00	4.00	9,298.91
7809	WAILUKU	2,183.66	12,075.97	2,010.60	-	628.57	265.00	-	17,163.80
8109	HANAPEPE	1,071.48	4,609.15	945.39	2.00	152.81	65.99	-	6,846.82
8209	KAPAA	1,669.14	13,360.04	1,644.41	-	1,270.33	380.00	-	18,323.92
8309	KOLOA	499.65	4,793.70	682.95	-	474.18	105.00	-	6,555.48
8409	LIHUE	2,986.32	15,987.42	2,204.75	0.35	980.87	480.00	-	22,639.71
8509	PRINCEVILLE	1,580.24	14,877.46	2,126.01	50.90	1,369.99	362.00	-	20,366.60
8609	WAI MEA	1,179.77	3,622.90	688.04	-	429.74	102.00	-	6,022.45
	INVESTMENT EARNINGS	-	-	-	-	-	-	-	16,559.17
TOTAL		150,390.03	636,764.08	139,563.50	78.95	54,896.13	20,099.89	1,061.28	1,019,413.01
	Donation from Taxpayers								67,674.00
	Total								* 1,087,087.01
									** 672,480.00
								DAGS Acctg Record Total	1,759,567.01
	*Total revenue after deducting erroneous deposit of \$672,480.								
	**\$672,480.00 should have been deposited to DOE-Schools account (not HSPLS). Correction made in FY 11.								

HAWAII STATE PUBLIC LIBRARY SYSTEM		
SPECIAL FUND - LIBRARY FINES AND LOST BOOKS		
EXPENDITURE REPORT BY INDIVIDUAL LIBRARIES		
FOR THE FY ENDED JUNE 30, 2010		
COST CTR	LIBRARY	Library Materials
2809	TSS - CENTRAL PURCHASES	68,484.64
3009	LBPH	13,290.72
3529	HSL - OPERATIONS	-
3559	HSL - AMR	2,416.17
3569	HSL - AV	2,894.63
3579	HSL - BST	3,424.73
3589	HSL - EAR	(6,282.68)
3599	HSL - FEDERAL DOCUMENTS	(227.73)
3609	HSL - H & P	373.63
3639	HSL - LLH	6,072.27
3659	HSL - SERIALS	9,099.77
3669	HSL - SSP	(6,970.75)
3679	HSL - YA	(4,088.88)
3689	HSL - TRIN	22.32
4059	AIEA	3,731.93
4109	EWA BEACH	9,832.95
4209	MILILANI	5,692.73
4309	PEARL CITY	9,990.99
4359	SALT LAKE	9,800.17
4409	WAHIAWA	10,132.18
4459	WAIALUA	10,069.13
4509	WAIANAE	7,415.53
4559	WAIPAHAU	20,392.42
4909	KAPOLEI	62,023.69
5059	AJNA HAINA	14,766.87
5109	HAWAII KAI	3,057.25
5159	KAHUKU	11,183.15
5209	KAILUA	22,450.23
5259	KAIMUKI	37,374.11
5309	KALIHI-PALAMA	37,859.67
5359	KANEOHE	25,179.47
5409	LILIHA	21,140.56
5459	MANOA	28,617.42
5509	MCCULLY-MOILILI	29,892.05
5559	WAIKIKI-KAPAHULU	26,278.66
5609	WAIMANALO	6,883.66
6059	BOND MEMORIAL	12,293.20
6109	HILO	16,381.58
6159	HOLUALOA	1,634.54
6209	HONOKAA	7,704.38
6259	KAILUA-KONA	23,124.05
6309	KEAAU	9,555.81
6359	KEALAKEKAU	2,407.30
6409	LAUPAHOEHOE	2,334.97
6459	MOUNTAIN VIEW	970.95
6509	PAHALA	2,967.88
6559	PAHOA	14,090.45
6609	THELMA PARKER	16,938.15
6659	NAALEHU	5,193.22
7109	HANA	8,222.14
7209	KAHULUI	16,242.32
7309	LAHAINA	7,596.91
7409	LANAI	7,849.27
7509	KIHEI	9,523.54
7609	MAKAWAO	12,675.79
7709	MOLOKAI	9,376.59
7809	WAILUKU	5,358.72
8109	HANAPEPE	10,406.18
8209	KAPAA	17,007.25
8309	KOLOA	14,917.31
8409	LIHUE	3,189.78
8509	PRINCEVILLE	6,628.63
8609	WAIMEA	7,174.50
	B&F SERVICE CHARGES	94,432.00
TOTAL		848,471.07

**HAWAII STATE PUBLIC LIBRARY SYSTEM
ANNUAL REPORT TO THE LEGISLATURE
LIBRARY FEE FOR ENHANCED SERVICES SPECIAL FUND
FISCAL YEAR 2010
July 1, 2009 To June 30, 2010**

Cash balance as of July 1, 2009 \$1,585,524.54

Sources of Revenue

Video rental	786,380.25
Replacement card charges	107,663.95
Meeting room rental	47,625.00
Interest earned from investment pool	14,077.59
Visitor card	49,202.50
Passport fee	58,725.00
Reader/Printer charges	4,899.61
Out of state library card	18,390.00
Book bags	7,334.57
Reserves not pick up	10,915.62
Rewind fee	341.50
Inter-library loan services	846.90
Miscellaneous	1,378.95
Production room rental	96.30
Photo copy charges	1,045.70
Telecopying charges	280.65
Equipment rental	56.15

Total Revenues for the Fiscal Year 2010 1,109,260.24

Expenditures

Library Books and Materials	577,043.82
B&F Central Services and Administrative Services Assessment	80,875.00

Total Expenditures for the Fiscal Year 2010 657,918.82

Cash balance as of June 30, 2010 \$2,036,865.96

Allocations to the Libraries

	<u>FY 2010</u>	<u>FY 2011</u>
Hawaii State Library	174,059	82,350
Library For The Blind And Physically Handicapped	750	6,638
WOLD-Aiea	38,258	28,238
WOLD-Ewa Beach	12,409	14,738
WOLD-Milliani	43,788	43,650
WOLD-Pearl City	37,236	39,938
WOLD-Salt Lake	28,639	29,250
WOLD-Wahiawa	16,827	12,038
WOLD-Waialua	28,412	13,500
WOLD-Waianae	25,276	11,588
WOLD-Waipahu	31,136	22,050
WOLD-Kapolei	85,646	69,638
<u>Library</u>		

EOLD-Aina Haina	24,915	24,075
EOLD-Hawaii Kai	26,327	24,638
EOLD-Kahuku	8,540	9,563
EOLD-Kailua	46,574	44,325
EOLD-Kaimuki	59,184	51,413
EOLD-Kalihi-Palama	141,659	27,450
EOLD- Kaneohe	40,923	44,325
EOLD-Liliha	30,938	31,275
EOLD-Manoa	47,604	35,550
EOLD-McCully-Moilili	75,136	52,301
EOLD-Waikiki-Kapahulu	49,802	22,613
EOLD-Waimanalo	12,646	7,988
HLD-Bond	19,004	7,988
HLD-Hilo	121,672	70,875
HLD-Holualoa	3,443	1,350
HLD-Honokaa	15,286	4,838
HLD-Kailua-Kona	51,106	27,000
HLD-Keaau	28,730	9,113
HLD-Kealakekua	8,991	4,388
HLD-Laupahoehoe	8,073	4,275
HLD-Mountain View	18,757	7,425
HLD-Pahala	5,936	3,038
HLD-Pahoa	53,661	18,000
HLD-Parker	47,174	18,675
HLD-Naalehu	12,565	6,075
MLD-Hana	11,335	3,600
MLD-Kahului	58,802	32,738
MLD-Lahaina	26,446	10,913
MLD-Lanai	34,106	7,650
MLD-Kihei	32,886	19,800
MLD-Makawao	26,083	18,900
MLD-Molokai	26,986	7,650
MLD-Wailuku	27,599	12,375
KLD-Hanapepe	22,121	8,213
KLD-Kapaa	57,042	15,188
KLD-Koloa	48,027	14,175
KLD-Lihue	58,949	19,463
KLD-Princeville	74,652	17,550
KLD-Waimea	13,886	4,613
Total	\$ 2,000,000	\$ 1,125,000

WOLD = West Oahu Library District
 EOLD = East Oahu Library District
 HLD = Hawaii Library District
 MLD = Maui Library District
 KLD = Kauai Library District

HAWAII STATE PUBLIC LIBRARY SYSTEM		
SPECIAL FUND - LIBRARY FEE FOR ENHANCED SERVICES		
EXPENDITURE REPORT BY INDIVIDUAL LIBRARIES		
FOR THE FY ENDED JUNE 30, 2010		
COST CTR	LIBRARY	Library Materials
2109	TSS - EBSCO	23,891.00
2809	TSS - CENTRAL PURCHASES	143,804.50
3009	LBPB	1,149.34
3519	HSL - ADMINISTRATION	0.00
3559	HSL - AMR	3,774.64
3569	HSL - AV	825.21
3579	HSL - BST	20,173.89
3589	HSL - EAR	6,647.53
3599	HSL - FEDERAL DOCUMENTS	1,712.85
3609	HSL - H & P	5,780.99
3639	HSL - LLH	6,294.86
3659	HSL - SERIALS	23,012.89
3669	HSL - SSP	16,137.46
3679	HSL - YA	8,263.87
3689	HSL - TRIN	67.45
4059	AIEA	4,642.58
4109	EWA BEACH	3,567.17
4209	MILILANI	8,991.39
4309	PEARL CITY	12,383.42
4359	SALT LAKE	6,862.51
4409	WAHIAWA	3,039.55
4459	WAIALUA	3,237.60
4509	WAIANAE	3,471.44
4559	WAIPAHU	4,405.71
4909	KAPOLEI	26,258.82
5059	AINA HAINA	7,956.94
5109	HAWAII KAI	10,596.87
5159	KAHUKU	1,899.56
5209	KAILUA	4,614.69
5259	KAIMUKI	19,481.54
5309	KALIHI-PALAMA	8,349.21
5359	KANEHOE	13,522.12
5409	LILIHA	3,252.43
5459	MANOA	4,248.89
5509	MCCULLY-MOILIILI	16,190.62
5559	WAIKIKI-KAPAHULU	4,087.74
5609	WAIMANALO	4,568.01
6059	BOND MEMORIAL	2,448.88
6109	HILO	25,030.24
6159	HOLUALOA	57.57
6209	HONOKAA	889.33
6259	KAILUA-KONA	6,967.00
6309	KEAAU	4,081.64
6359	KEALAKEKAU	1,711.19
6409	LAUPAHOEHOE	1,086.14
6459	MOUNTAIN VIEW	6,096.95
6509	PAHALA	1,467.21
6559	PAHOA	3,805.34
6609	THELMA PARKER	4,361.25
6659	NAALEHU	1,515.51
7109	HANA	2,160.14
7209	KAHULUI	18,201.47
7309	LAHAINA	4,060.74
7409	LANAI	3,054.64
7509	KIHEI	9,560.07
7609	MAKAWAO	4,725.58
7709	MOLOKAI	3,869.75
7809	WAILUKU	5,316.29
8109	HANAPEPE	3,338.37
8209	KAPAA	5,473.71
8309	KOLOA	3,998.23
8409	LIHUE	11,852.77
8509	PRINCEVILLE	2,768.25
8609	WAIMEA	1,980.27
	B&F SERVICE CHARGES	80,875.00
TOTAL		657,918.82

Written Statement of
YUKA NAGASHIMA
Executive Director & CEO
High Technology Development Corporation
before the
HOUSE COMMITTEE ON FINANCE
February 15, 2011
3:00 PM
State Capitol, Conference Room 308

In consideration of
HB 79 RELATING TO STATE FUNDS.

Chair Oshiro, Vice Chair Lee, and Members of the House Committee on Finance.

The High Technology Development Corporation (HTDC) opposes HB 79, which will automatically repeal all special and revolving funds unless otherwise provided by Legislature in any law authorizing the establishment of any special or revolving fund as a means of financing.

The mission of HTDC is to facilitate the growth and development of the commercial high technology industry. Section 206M-15.5, HRS, provides that all moneys in the High Technology Special Fund be appropriated for the purposes of and be expended by HTDC for the operation, maintenance, and management of its industrial parks, projects, facilities, services, and publications, as well as pay the expenses in administering its special purpose revenue bonds or in carrying out its project agreements. The continued development and growth of the technology and innovation sector, including improvement to technology centers and assistance of entrepreneurs is a high priority in the Governor's "A New Day in Hawaii" plan.

HTDC is opposed to the bill for the following reasons:

Section 1. (a)

- The bill would repeal the High Technology Special Fund and deposit all unencumbered and unexpended balance to the state general fund. The High Technology Special Fund consists primarily of user fees, collections from its technology centers for the incubation program and building maintenance and is used to maintain the incubation centers as well as support 50% of all non-federally funded positions and related fringe benefits, general program expenses, and administrative costs. **The ongoing establishment of the High Technology Special Fund is essential for HTDC to meet current and future projected needs of the agency and administration while adequate funding through a general fund appropriation is questionable.**
- Due to the impact of large anchor tenants vacating the Maui Research & Technology Center (MRTC) and ongoing depressed economy, it has been extremely difficult to

fill the vacant offices. HTDC has lower cash flow from rents and is subsidizing the common area maintenance expenses for the vacant spaces as well as to pay for other operating costs mentioned above. **The current vacancy at MRTC is approx 34%, and the special fund is the only means currently to subsidize these losses.**

- **The High Technology Special Fund also consists of fees from consulting services performed by our Manufacturing Extension Partnership (MEP) program and workshops/conferences conducted by HTDC. Because MEP is a federally funded program, its revenues can only be used to fulfill MEP's program goals as approved by the federal review committee in MEP's operational plan. The fees generated by MEP are invested back to the program and can be counted towards the state's matching requirement of the grant.**
- **The HTDC Special Fund is also a significant source to attract federal grants and to be used for grants' matching requirements. Federal grants which require matching contributions need assurances that HTDC will have a sufficient balance in its funds to meet the matching requirement should the partnering organizations' commitments to meet the match not come through.**
- **A portion of the cash balance is to fund anticipated future major building repairs and equipment purchases as the buildings age and CIP funds are not available for these purposes.**

Section 1 (b):

- **Section 1 (b) would allow the administrator of the fund to submit to the legislature, the budgetary request necessary to carry out the functions, duties, and operations of the program. With the difficult task that the administration and legislature has to review then meet the overall budgetary needs of the state but yet balance the budget, there is the potential that HTDC's future budgetary requests cannot be met if being appropriated from the state's general fund. Funding may not be even sufficient to cover minimum requirements during times of economic downturn, whereas the special fund will assure that revenues from HTDC's programs are available to sustain it needs.**
- **A large portion of revenues collected is from tenants of the technology centers to cover the common area maintenance (CAM) costs of the centers. CAM collections may be increased to offset a corresponding rise in such things as electricity or repairs. The special fund provides the ability to collect then expend the necessary amounts for the operation of the centers whereas funding from the general fund will be static and will not be able cover all expenses when there are large increases in operating costs.**

- **Future major building repair and equipment replacement fluctuates from year to year. The cash balance in the special fund would no longer be available to fund these potentially large expenditures.**
- As mentioned earlier, the High Technology Special Fund subsidizes to cover operating expenses during times when there are large vacancies at the incubation centers. Forecasting the timing of when the subsidy is needed and projecting the amount is difficult to anticipate yet the request for a general fund appropriation will require the agency to forecast the possible need approx. 2.5 years ahead considering the mechanics of the biennial budgeting process.
- The window for new business opportunities is very short in the technology field and the availability of funds within the High Technology Special Fund can be used to fund these new opportunities. **Opportunities to the state will be lost if the agencies needs to wait until the next legislative session to request additional funding for these kinds of immediate opportunities.**

Thank you for the opportunity to submit testimony on this bill.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Repeal special and revolving funds

BILL NUMBER: HB 79

INTRODUCED BY: Say

BRIEF SUMMARY: Adds a new section to HRS chapter 37 to provide that: (1) all special and revolving funds in existence as of June 30, 2010 shall be repealed on June 30, 2012; and (2) all special and revolving funds created on or after July 1, 2011 shall have an effective duration of not more than five consecutive fiscal years; provided that prior to the repeal of any special or revolving fund, the administrator of the fund shall deposit all unencumbered and unexpended balances remaining in the fund to the credit of the state general fund.

Prior to the regular session of the legislature immediately preceding the date of the scheduled repeal of any special or revolving fund, the administrator of the fund shall submit to the legislature the budgetary request necessary to carry out the functions, duties, and operations of the program, activity, or undertaking previously financed under the proceeds of the special or revolving fund scheduled for repeal.

Amends Act 285, SLH 1991, to provide that the travel agency recovery fund be closed on June 30, 2011.

The judiciary shall terminate the administratively established Pulama I Na 'Opio O Hawaii trust fund at the close of business on June 30, 2011.

The Maui region system board, east Hawaii regional board, and the west Hawaii regional board of the Hawaii health systems corporation shall terminate their administratively established collections revolving funds at the close of business on June 30, 2011.

Directs the department of human services to terminate the following administratively established revolving funds or trust funds: (1) federal maximization revolving fund; (2) HPHA administration revolving fund; and (3) Kahikolu 'Ohana O Wai'anae project trust fund at the close of business on June 30, 2011.

Authorizes the director of finance to transfer to the general fund any balances remaining as of June 30, 2011, in the following funds: (1) collections revolving funds; (2) federal maximization revolving fund; (3) health care revolving fund; (4) Hawaii public housing authority administration revolving fund; (5) Kahikolu 'Ohana O Wai'anae project trust fund; (6) Pulama I Na 'Opio O Hawaii trust fund; and (7) teacher's housing operating fund.

EFFECTIVE DATE: Upon approval

STAFF COMMENTS: This measure repeals seven special and revolving funds of various state agencies and departments. Due to the state budget shortfall, lawmakers are searching for moneys to cover that shortfall and are tapping the various non-general funds of the state.

It should be noted that the transfer of moneys from special funds to the general fund was found to be unconstitutional. In Hawaii Insurers Council v. Lingle, Hawaii Supreme Court, No. 27840, December 18, 2008, the court found that the transfer of moneys held in a special fund to the general fund was unconstitutional under the separation of powers doctrine. The court determined that the assessments that were deposited into a special fund were regulatory fees since they were imposed because they were: (1) imposed by a regulatory agency; (2) the agency placed the moneys in a special fund; and (3) the money was not used for a general purpose but to defray expenses generated by the insurers. The transfer of moneys from the special fund to the general fund was unconstitutional because it made the fees collected by the agency for a specific purpose as if they were derived from general tax revenues. The court found that the legislature's bills to transfer the moneys from the special fund to the general fund resulted in an "impermissible blurring of the distinction between the executive power to assess regulatory fees and the legislative power to tax for general purposes." In a preliminary opinion from the state attorney general, transfers from the compliance resolution fund may be unconstitutional, since the transfer of moneys from that fund was the basis for the Hawaii Insurers Council case.

What this measure underscores is the growing problem of "hiding" sums of money in various funds rather than being deposited into the general fund. Prior to the 1990's, special funds were a rarity, limited largely to the transportation activities where special funds had to set those revenues from the highways and airports aside to qualify for matching federal funds. Even the regulatory fees of the department of commerce and consumer affairs went into the state general fund and then were doled out through the appropriations process to cover the operating costs of the various regulatory activities.

However, once specific special funds were created, like those for the insurance industry, funds collected from the industry had to be used to benefit that particular industry. This is where the courts stepped in and ruled in favor of the Hawaii Insurers Council. Had the money gone into the general fund and then be appropriated back to cover the activities, the courts would not have ruled as they did. That's because the oversight was provided by the legislature in determining the appropriateness of not only the fees charged but the expenses of running the program.

It should be remembered that the 1990 legislature directed the State Auditor to evaluate all special and revolving funds as of July 1, 1990 and recommend whether they should be continued or eliminated. The Auditor is also to examine any new or proposed special or revolving funds which would decrease general fund revenues. While the Auditor had a completion date of 1995, the review was completed in 1992. The Auditor's report noted that, "Special funds give agencies full control of these unappropriated cash reserves, provide a way to skirt the general fund expenditure ceiling, and over time erode the general fund. Many experts say that special funds are likely to hamper budget administration. And from a legislative perspective, they are less desirable because they are not fully controlled by the appropriation process."

Given the findings of the Auditor and the current financial crisis, it is quite clear that the creation of numerous special funds has eroded the integrity of state finances. Moneys in special funds are neither subject to the general fund expenditure limitation nor to the close scrutiny that general funds are subject to in the budgeting process. Special funds that earmark general fund revenues cannot be justified as they

restrict budget flexibility, create inefficiencies, and lessen accountability.

There is no doubt that carving out portions from the general fund has created the lack of funds lawmakers face each year. Such a shortfall will inevitably lead to a call for tax increases even though money abounds in these special funds. One only has to review the measures introduced each year that set up numerous new special funds or add new fees or charges, the receipts of which are earmarked for special funds, to see the prolific establishment of special funds.

As has been consistently noted, these fees were increased or approved and earmarked for totally irrelevant programs. The result has been this mismatch of either not enough funds to carry out the program or, as in these cases, an excess of funds that then become the target for a raid. Lawmakers should learn a lesson and repeal many of the earmarked sources and their special funds and cease from creating any more new special funds or earmarking any more revenues for such worthy causes.

Finally, these numerous special funds create an even more serious legal problem and that is, the circumvention of the state general fund spending ceiling. Inasmuch as many of the programs which have set up their own special funds used to be beneficiaries of the state general fund, funding of these programs is no longer subject to the general fund spending limit, but had they remain funded with general funds, the growth of these programs would have been measured against the spending limit yardstick. Thus, by spinning these programs off into special fund financing, the growth of government that the constitutional limit was supposed to have measured has become obscured, contributing to the problem that the administration and legislators are trying to address. The bottom line is that state government has grown faster than the economy that is being called upon to support that growth, a formula for self-destruction.

Returning many of these programs to general fund funding will allow lawmakers flexibility in moving resources among programs as priorities dictate and, indeed, it will allow lawmakers to set priorities among the various state programs. No doubt there will be gnashing of teeth as program beneficiaries plead for the salvation of their various special funds, but if lawmakers are to resolve the serious budget shortfall, they need to begin with bringing many of these programs back under the control and review of the legislature. If lawmakers continue to condone such special funds, then they might as well earmark all revenues of the state and vote themselves out of existence as there would then be no need for a legislative body to appropriate state funds.

Thus, adoption of this measure is a giant step in regaining control over state finances. These funds should be repealed unless administrators can submit a good legal reason why they should not be repealed. Those programs that have been so blessed in the past will now have to come back each and every year to report about their stewardship of the funds they have been given to run their programs. Lawmakers will have every right to demand evaluation of the program's performance before doling out even more money. This is the very least lawmakers owe their taxpaying constituencies. Returning these programs to general fund financing will improve accountability and transparency.

Some may ask what are some guideline as to whether or not it is appropriate to repeal a special fund. Funds that should not be repealed are those with legal prohibitions such as a bond reserve fund which is a holding account to repay a debt obligation of the state or a special fund that is under federal mandate such as the 911 wireless fund or the highway special fund. On the other hand, programs that used to be funded out of the general fund, such as the many regulatory programs of the department of commerce

and consumer affairs whose user fees are set by statute, should be returned to the general fund. The natural area reserve fund, the land preservation fund, and the affordable rental housing trust fund that are financed with the receipts of the conveyance tax should be returned to the general fund and money from the general fund should be appropriated annually or biennially for those programs. And unlike the reaction of the many constituencies of these special funds, repeal of the special funds is not a death knell for their programs. What the repeal of special funds does is return accountability and transparency to government and allows policymakers to set priorities among programs and services.

Digested 2/14/11



CATHOLIC CHARITIES HAWAII

TESTIMONY- OPPOSE - HB 79: RELATING TO STATE FUNDS

TO: Representative Marcus Oshiro, Chair, Representative Marilyn B Lee, Vice Chair, and Members, House Committee on Finance

FROM: Betty Lou Larson, Legislative Liaison, Catholic Charities Hawaii

HEARING: Tuesday, February 15, 2011, 3:00 pm; CR 308

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance:

Thank you for the opportunity to provide testimony on HB 79. I am Betty Lou Larson, the Legislative Liaison for housing and homeless issues at Catholic Charities Hawaii. We are also members of Partners in Care. Catholic Charities Hawaii opposes this bill due to the severe impact it would have on implementing the affordable housing development strategies of the State of Hawaii.

This bill would repeal the revolving funds and special funds of the Hawaii Housing Finance and Development Corporation (HHFDC). Catholic Charities Hawaii has worked for years to advocate for more funding and more flexibility so that HHFDC can partner with developers in the community to increase the production of affordable rental units. Without some certainty of what funds will be available to create housing, it is very difficult for developers to spend the time and money needed to locate land, negotiate with owners to lock in the land and then put together the complex financing packages that are required these days to make rental housing both feasible and affordable.

The Dwelling Unit Revolving Fund and other funds at the HHFDC are designed to assist projects to move forward. Removing these funds would tie the hands of the State department that is charged with the critical task of promoting more housing. Some of these funds have already made long term commitments to owners of affordable projects to provide rental subsidies (such as under the Rental Assistance Revolving Fund (RARF)). Many of those who receive these subsidies are elderly. If the Revolving Fund ends and funds are not available many may face homelessness due to the large increase in rent compared to their limited incomes.

We respectfully urge you to defer HB 79. Thank you for considering the negative unintended consequences of this bill, if passed.





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Testimony Presented Before the
House Committee on Finance
February 15, 2011

by

Douglas Inouye '85, '03

President, University of Hawai'i Alumni Association

and

Patrick Oki '92

1st Vice President, University of Hawai'i Alumni Association

And

Ken K. Hayashida '83

2nd Vice President, University of Hawai'i Alumni Association

HB 79 – RELATING TO STATE FUNDS

Chair Oshiro and Members of the House Finance Committee:

This bill will hurt our community and undermine Hawaii's future. We, as officers of the University of Hawai'i Alumni Association oppose the passage of HB 79 as it relates specifically to the repeal of any University of Hawaii special and revolving funds. We do not support taking revenues and fees that were collected for the purpose of financially supporting the University of Hawaii's programs and operations and transferring these monies to the State general fund. Repealing of these funds meant for public higher education and student success jeopardizes the University of Hawaii's ability to maintain autonomy. It is fiscally prudent to have special and revolving funds for the University of Hawaii in order to efficiently and effectively manage its business. Should HB 79 be enacted in its current form, areas such as the University of Hawaii's special programs, housing, financial assistance, private and community support through the Foundation, infrastructure maintenance and improvement; all critical to the University of Hawaii in providing a quality educational experience for Hawaii's students would be in jeopardy.

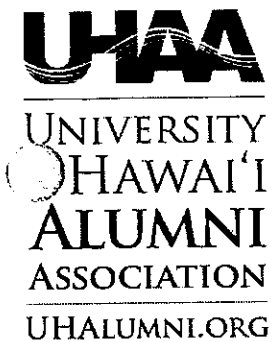
The goal for access to quality public higher education in the State of Hawaii should be to keep our best and brightest students right here in Hawaii. An investment in our own keiki is a critical investment in Hawaii's future. An investment in our University is an investment in Hawaii's future.

We are proud alumni of this great University and are grateful for the quality experience and education we received at the University of Hawaii. We are now over 267,000 alumni strong with more than 80% of us living right here in the State of Hawaii. Let us keep that legacy alive and growing by investing in our only public institution for higher education, our alma mater. Repealing special and revolving funds that support student success will take us in the opposite direction.

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We oppose the passage of this bill with any repeal of special and revolving funds to the University of Hawaii and its programs.

Thank you for the opportunity to present our concerns with regard to this measure.

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HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
Feb. 15, 2011 at 3:00 p.m.

Urging individual reviews of health care special funds before taking the blanket action of HB 79 to repeal all special funds.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify on HB 79, which repeals all special and revolving funds. The Healthcare Association believes that the special funds related to health care serve a valid purpose and should be reviewed individually before taking the blanket action of repealing all special funds.

For example, the community health center special fund is the only source of dedicated state funding that community health centers have to provide care for the uninsured and for community health center operations. The loss of this funding could be devastating to community health centers. Another special fund, the tobacco settlement special fund, is used to support tobacco prevention and control programs and to support the operations of the John A. Burns School of Medicine. These special funds were established for legitimate purposes that continue to be valid.

The Healthcare Association urges the review of special funds related to health care before a blanket repeal of all special funds.



Hawai'i Primary Care Association

345 Queen Street | Suite 601 | Honolulu, HI 96813-4718 | Tel: 808.536.8442 | Fax: 808.524.0347
www.hawaiipca.net

House Committee on Finance
The Hon. Marcus R. Oshiro, Chair
The Hon. Marilyn B. Lee, Vice Chair

Testimony in Opposition to House Bill 79 **Relating to State Funds**

Submitted by **Beth Giesting, Chief Executive Officer**
February 15, 2011, 3:00 p.m., Room 308

The Hawai'i Primary Care Association represents all community health centers in Hawaii. **We strongly oppose Section 2 of House Bill 79 which repeals the community health center special fund on June 30, 2012.**

Although created with the intent to provide capital support for community health center growth, since 2008 (when enough money had been collected in the fund to distribute) the community health center special fund has been used to replace all general funds provided to community health centers for operations and their direct care for the uninsured. Community health centers no longer receive general funds for their operations. **Therefore, repealing the community health center special fund would eliminate state funding for health centers, including funding to provide care for thousands of uninsured patients.** This would reduce the \$160 million that community health centers save the state, increase emergency room utilization, and increase uncompensated health care costs to the state.

Although State funding for community health centers has remained relatively flat from 2005 – 2010, health centers have seen a **48% increase in patients** and 18% increase in uninsured patient visits during that same time period. In total, **uninsured patients now represent 24% of all community health center clients.** This increase in client load is, of course, taxing the operational capacity of these organizations.

Community health centers are mandated to provide comprehensive primary care and preventive services, including medical, dental, and behavioral health services to persons of all ages, regardless of their ability to pay. Many of the cutbacks in funding for other state programs, such as the Adult Mental Health and Medicaid dental care for adults, have left community health centers as the only safety net open to indigent people in need.

- **Community health centers in Hawaii cared for 125,000 patients in 2009, making them the second-largest provider of primary care services in the state.**
- **Unlike any other primary care provider, 71% of their patients are either uninsured or covered by Medicaid**
 - 47% of patients in 2009 were Medicaid enrollees (QUEST), which represents a 26% increase in Medicaid patients seen over 2008.
 - 24% of patients were uninsured in 2010.
- **72% of patients are served in rural areas, where a CHC is often the only provider.**
- **Patients with mental health needs grew by 46% in 2009.**

- **17% of patients are legal COFA migrants** who are facing benefit reductions and often present with significant, costly, and complex medical needs.
- **72% are below poverty.** 84% are below 200% of poverty.
- **Homeless patients** at community health centers **grew by 7% in 2009.**
- Community health centers grew overall 10% in 2009, and have grown 42% over the past five years (neighbor island community health centers have grown by 62%.)
- Our model of care at community health centers saves **\$1,262 per patient per year; that means \$160 million in savings to the State in 2010.**

In conclusion, if community health centers aren't supported they can't be:

- The mainstay of the Medicaid provider network.
- The only place available for uninsured patients to receive health care besides the ER.
- The safety net for people with mental illnesses.
- The provider of dental care for Medicaid patients and the uninsured.
- The source of care in rural areas without other health care providers.

Please preserve the community health center special fund and the health care services they provide. Thank you for the opportunity to testify in opposition to this measure.



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250 South Hotel Street, Suite 508
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Honolulu, Hawaii 96804
Telephone: (808) 587-3830

Written Statement of

KARL FOOKS
President

Hawaii Strategic Development Corporation
before the

HOUSE COMMITTEE ON FINANCE

February 15, 2011

3:00 PM

State Capitol, Conference Room 308

In consideration of
HB 79 RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and Members of the Committee on Finance:

The Hawaii Strategic Development Corporation (HSDC) respectfully submits comments in opposition to HB 79, in particular to Section 2 of the bill. As Section 1 of the bill points out, there is already a process in place, Section 23-12 HRS, for the State Auditor to review revolving funds and trust funds and to recommend those that should be repealed, terminated or closed. This review is undertaken on a five year cycle. As most revolving funds and trust funds are established for the purpose of facilitating longer term projects or programs, this five year review process is appropriate. It is not clear in HB 79 whether the proposed automatic repeal of every revolving or trust fund after five years is intended to preempt the State Auditor's review process by having each revolving fund or trust fund petition the legislature for renewal every five years.

HSDC's revolving fund has been audited under Section 23-12 HRS and provides annual reports to the legislature as required by existing statute. In addition, HSDC must annually provide budget testimony to the legislature on its revolving fund. This level of legislative oversight is not enhanced by HB 79, but the automatic repeal of its revolving fund would negatively impact the effectiveness of HSDC's program execution. For example, HSDC often enters into multi-year contracts. By statute, HSDC can not enter into contracts unless it has the funding to support its commitments. If HB 79 were implemented, HSDC would not be able to make commitments for longer than five years, in the first year after legislative approval, and by the third year after legislative approval, would not be able to make commitments longer than two years. These constraints would negatively impact the effectiveness of HSDC's investment program.

Thank you for the opportunity to submit testimony on this bill.



HAWAI'I
STATE FOUNDATION on
CULTURE and the ARTS

No. 1 Capitol District Building
250 South Hotel Street
Second Floor
Honolulu, HI 96813

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TESTIMONY OF
STATE FOUNDATION ON CULTURE AND THE ARTS
TO THE
HOUSE COMMITTEE ON FINANCE
ON

February 15, 2011

H.B. 79

Chair Oshiro and members of the committee, I am Ronald Yamakawa, executive director of the State Foundation on Culture and the Arts. The SFCA opposes the repeal of the Works of Art Special Fund.

The Works of Art Special Fund (i.e., one percent for art law) was established in 1967, the first such law in the nation and a model for the legislation of other states and cities that followed. In 1989 the law was amended to make the administration of the Art in Public Places Program more efficient. In November 2002, the Hawai'i State Art Museum opened its doors, and support of the museum was integrated into the purpose of the fund. The Art in Public Places Program, the Hawai'i State Art Museum, and the State Art Collection have developed significantly as a result of careful management, hiring competent leadership, and sustaining public interest in and support of art as an essential part of our lives.

We caution against eliminating or compromising the one percent law, a law that has survived because of its dedication to providing an aesthetic and humanizing complement to the built environment through art. The fund, which produced a conservative \$2.5 million each year,

was established to ensure the beautification and aesthetic value of public buildings through the placement of art in the architectural plan. This legislation represents an enduring creative partnership between the State and the Hawaii Chapter of the American Institute of Architects (AIA). The amount of 1% was set by the AIA, which agreed to designate 1% of the 6% contingency budget in capitol improvement (CIP) projects to support providing works of art for new buildings. In addition to the establishment of the state art museum, significant contributions to Hawai'i made possible through the percent for art law include:

1. Creating and curating a "museum without walls" program for State buildings that introduces and interprets art to people in everyday environments such as schools, offices, and libraries;
2. Commissioning iconic works of art that represent the values of Hawaii's communities in important public venues such as the Hawai'i Convention Center, our international airports, and the University of Hawai'i campuses;
3. Recognizing and providing incentive for young artists by hosting the Scholastic Art Exhibition and award ceremony for secondary school students at the Hawai'i State Art Museum and the Student Art Exhibition and award ceremony for students in grades K-6 at the Hawai'i Convention Center;
4. Conducting the *Artists in Residence Program* in partnership with the Department of Education to create works of art for public school campuses with the participation of students, school administration, teachers and the community;

5. Developing curriculum-based tours for school children in the Hawai'i State Art Museum, hands-on workshops for children and youth; and working directly with teachers on exhibit-related lesson plans;
6. Conducting a statewide restoration and conservation program for works of art, including those at the state capitol---Ruthadell Anderson's beautiful tapestries and Otto Piene's magnificent light sculptures in the House and Senate chambers and the lucid Tadashi Sato mosaic floor mural in the rotunda;
7. Our latest project---transforming the No. 1 Capitol District Building grounds into a contemporary sculpture garden---will not only be more cost efficient for the State to maintain, but will attract more visitors, residents, and children to experience art up close, surrounded by an aesthetically integrated environment.

While cutbacks in FY 2010 have strained statewide energies and resources, the impact of our losses would be far greater if we lose our programs and services in arts education. The DOE has been forced to exclude art from its curriculum for budgetary reasons, which has compounded our task of providing arts education programming for children and youth statewide. We are committed to this task and are only limited through our physical resources.

The SFCA has maintained core programs largely through managing conservatively and standing by our hardworking and knowledgeable staff, the dedication and expertise of our commission, the integrity of our programs, and the artists we represent. Most importantly, we are receptive to and inclusive of public perspectives.

Our current strategic plan was developed with statewide input from diverse communities, backgrounds, and interests.

The State Art Collection is largely dedicated to support living local artists. Our collection is a unique contribution to the economic vitality of our state, not only because of its dollar value, but for its promise to our future generations. Works of art reveal where we come from; what we value; our identity as individuals and as a society; and where we are going. Repeal the Works of Art Special Fund and Hawai'i would lose nearly half a century of valuable programming and services, links to our host culture, our multicultural heritage and the intent of the original vision of the architects of this legislation: Alfred Preis and the leadership of the AIA.

On behalf of the artists, architects, educators, art patrons, and future generations of this state, I urge you to keep the Works of Art Special Fund in the statutes as an active expression of the government's investment in and respect for the creativity and vision of its people.

Thank you for the opportunity to testify on this matter.

NEIL ABERCROMBIE
GOVERNOR

BRUCE A. COPPA
COMPTROLLER



ALOHA STADIUM
An Agency of the State of Hawaii

SCOTT L. CHAN
MANAGER

LOIS M. MANIN
DEPUTY MANAGER

TESTIMONY
OF
SCOTT L. CHAN, STADIUM MANAGER
STADIUM AUTHORITY
TO THE
HOUSE COMMITTEE
ON
FINANCE
ON
February 15, 2011

H.B. 79

RELATING TO STATE SPECIAL FUNDS

Chair Oshiro and members of the Committee, thank you for the opportunity to testify on H.B. 79.

The Stadium Authority opposes H.B. 79, Section 2 which automatically repeals its authorization to establish a special fund. We believe that its intent would be contrary to the original intent of establishing and maintaining a special fund for the stadium by inherently transferring the fiscal solvency, requirements, and dependence of the Aloha Stadium's operations from the Stadium Authority to the State general fund.

By retaining its current special fund, the Stadium Authority is operationally and fiscally responsible for ensuring its own solvency by maximizing revenue generating opportunities, maintaining and controlling expenditures, and ensuring proper fiscal planning to address both its short and long term financial requirements.

Retaining its special fund ceiling also inherently ensures that the Stadium Authority operates as effectively and efficiently as possible and minimizes any long-term dependence on general funds for its ongoing operations, staffing, and repairs and maintenance.

The Stadium Authority's special fund is authorized by law under Hawaii Revised Statute Section 109-3 "Stadium special fund" which provides the authorization necessary for the stadium to collect funds to address its operating costs as well as all or a portion of its cost of financing any capital improvement projects. The Aloha Stadium is a dynamic venue that not only requires its permanent staffing to maintain its operation, but also requires funding to address ongoing repair and maintenance of its physical structure and grounds. It is imperative and essential that the Stadium Authority be allowed to retain its special fund authorization to ensure that there is a means to address these costs and ensure that the stadium's staffing, operations, and upkeep continue uninterrupted. Without a special fund, neglected repair and maintenance will result in significantly higher costs in the future. It should also be noted that the Aloha Stadium is the only venue of its kind in the State of Hawaii that is able to accommodate large scale major events that attract both national as well as international crowds to the State.

Based on the foregoing, the Stadium Authority believes that it is in the best interest of all parties that it retains its current special fund authorization and ceiling.

Thank you for the opportunity to testify on this matter.

HAWAII SUBSTANCE ABUSE COALITION

Topic: HB79 Relating to State Funds – Special Funds Repeal

To: COMMITTEE ON FINANCE: Representative Marcus Oshiro, Chair; Representative Marilyn Lee, Vice Chair

When: Feb. 15, 2011, Tuesday, at 3:00 pm

Place: Conference Room 308

Aloha Chair Oshiro, Vice Chair Lee and Distinguished members. My name is Alan Johnson, I am the Chairperson of the Hawaii Substance Abuse Coalition, a hui of about 20 alcohol and substance abuse treatment agencies in Hawai'i.

HSAC Opposes HB79 for the following Specified Provisions:

We oppose ending the Drug Demand Reduction Assessments Fund. This special fund does levy fines on DUI offenders that can be used for treatment. Since the legislature can transfer funds out of this fund during times of dire need, please continue this special fund so it can accumulate during prosperous years.

Ultimately, using these funds for treatment is the best use of this special fund as repeating DUI offenders are far more costly to the state than not treating, while treatment is effective at both stopping the offense and saving money for the state.

We appreciate the opportunity to provide information and are available for questions, if needed.



The Salvation Army

Addiction Treatment Services

DOING THE
MOST GOOD

Founded in 1865

William Booth
Founder

Linda Bond
General

James Knaggs
Territorial Commander

Edward Hill
Divisional Commander

Lawrence Williams
Executive Director

Topic: HB79 Relating to State Funds – Special Funds Repeal
To: COMMITTEE ON FINANCE: Representative Marcus Oshiro, Chair;
Representative Marilyn Lee, Vice Chair
When: Feb. 15, 2011, Tuesday, at 3:00 pm
Place: Conference Room 308

WRITTEN TESTIMONY OPPOSING HB 79

ALOHA CHAIR OSHIRO, VICE CHAIR LEE, AND FINANCE COMMITTEE MEMBERS:

My name is Larry Williams, executive director of The Salvation Army Addiction Treatment Services, which provides a comprehensive continuum of substance abuse treatment services for more than 1,200 adults annually. I oppose **House Bill No. 79** for the following reasons:

HB79 would eliminate the **Drug Demand Reduction Assessment (DDRA) Fund**. The DDRA currently generates monies via levy of fines on DUI and other drug offenders that can be used for substance abuse treatment.

Using these funds for substance abuse treatment represents the best use of this special fund as repeating DUI offenders and other drug abusers are far more costly to the state than not treating, while substance abuse treatment is effective at both stopping the offense and saving money for the state.

Since the legislature can transfer monies out of the DDRA Fund during times of dire need, please continue this special fund so it can accumulate during prosperous years.

I respectfully request that the **House Committee on Finance defer or amend HB79 by deleting reference to the Drug Demand Reduction Assessment Fund.**

Thank you for this opportunity to provide input regarding this important subject matter.

icipating Agency



Aloha United Way

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Visit us at: www.SalvationArmyHawaii.org



Testimony Presented Before the
House Committee of Finance
February 15, 2011

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

HB 79 – RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee and Members of the House Committee on Finance:

The University of Hawai'i Foundation strongly opposes the passage of HB 79 in its current form as it results in the repeal of the University of Hawai'i special and revolving funds. We have serious concerns about the impact diminished funds to key programs and operations will make on the University of Hawai'i's ability to fulfill its mission as a resource for our state, and as a *builder of our future*.

Now more than ever, our University plays a pivotal role in shaping our State's future. Our integrated university system educates our workforce for sectors as diverse as the trades, healthcare, education and hospitality and tourism. Our alumni are not only the workers but the innovators who create future industry and economy.

HB 79 will have serious unanticipated consequences and immediately impact the very population our university is mandated to serve. For example, without special and revolving funds, summer school will no longer be an option for students who need these classes to graduate and enter the workforce. By taking away these vital learning opportunities, many students will ultimately fail in their studies, and find themselves without the skills and education they need to secure living wage employment. The problem doesn't stop here — without an education, some of these former students will ultimately need social services to survive. This *will* impact us all by further taxing our State's limited resources.

This is a bleak projection and illustrates the unintended sequence of events that for many individuals will transpire should these funds no longer be accessible to the University.



Hawai'i State Center for Nursing

Testimony Presented Before the
Senate Committee on Ways and Means
February 15, 2011, 3:00 p.m.

By

Gail P. Tiwanak RN, MBA
Director

Hawaii State Center for Nursing

HB 79 RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and members of the House Committee on Finance, thank you for this opportunity to provide testimony in strong OPPOSITION to this bill, HB 79, to the extent that it relates to Section 2 which would include the repealing the Hawaii State Center for Nursing ("HSCFN") special fund and transfer the balance to the state general fund.

Act 198, Session Laws of Hawai'i 2003, established the HSCFN at the University of Hawaii, to conduct research on workforce issues for nurses and other assistive healthcare personnel. The establishment of the HSCFN created a nursing special fund by requiring each nurse to pay an additional fee of \$40 upon the issuance of a new license and at each license renewal period. There are no state or federal funds in the HSCFN special fund.

Sweeping the balance of the fund into the state general fund would in essence cause the demise of the HSCFN. The 21,000+ advanced practice registered nurses, registered nurses and licensed practical nurses would in effect have paid a form of taxation which is not required of any other profession in Hawaii. Decisions relating to health care in Hawai'i is at the critical point where accurate data of workforce issues for nurses and other healthcare personnel is more important than ever. Therefore, HSCFN strongly opposes Section 2 of this bill and asks this Committee that it delete it from HB 79.

We appreciate your continuing support of nursing and healthcare in Hawai'i. Thank you for the opportunity to testify.

4

Another grave concern involves accreditation. Without reserves represented by the special and revolving funds, our University's accreditation would be in jeopardy, as accrediting agencies expect UH to maintain reserves and seek to verify sufficient reserves when they examine UH for accreditation.

We recognize that the State is facing a budget crisis, but there should be a better solution than one with long-term ramifications that will impact our residents' quality of life for years to come. The revenues and fees were collected for the purpose of supporting public higher education through funding programs that support students and help them succeed.

Now is the time to maintain funding or increase investment in our education system. To cut now, would decimate the great strides our University has made and continues to make.

We oppose the passage of this bill with any repeal of special and revolving funds to the University of Hawai'i and its programs.

Thank you for the opportunity to present our concerns with regard to this measure.

Testimony Prepared for the
House Finance Committee
by
Thomas Bingham
Dean, College of Arts and Humanities
University of Hawaii at Manoa

HB79 – RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Aloha. Thank you for your support for the University of Hawai'i and for the opportunity to provide testimony on this measure.

I oppose this bill as it relates to the repeal of special and revolving funds at the University of Hawaii.

You will receive testimony from others describing the importance of these funds to the basic operations of the University, including paying a significant portion of our instructional costs and providing reserves with which to plan our courses for the following year. In short, I support the testimony provided by President Greenwood.

Please allow me to also provide three related examples of the value of retaining our special funds.

1. The Theatre Group fund holds proceeds generated by admission to Theatre, Dance, and Music events. Production costs can vary greatly from year to year, depending on how elaborate a theatre production is or whether or not a guest soloist is engaged for a concert. It is typical for Theatre to schedule lower cost productions for a year or two in order to "save up" for an expensive show, such as a musical, or for Music to carry over funds from one year to the next in order to support a special guest artist. Without this special fund, such long-range planning is impossible.
2. Similarly, the Art Gallery plans exhibitions at least two years in advance, and schedules a number of less expensive showings in order to be able to bring in a costlier exhibit. As above, this is not possible without the special fund for the Gallery.
3. The special funds promote fiscal responsibility and good planning. Theatre and Music are expected to manage their seasons based on the income from admissions and other sources. If they plan and manage their funds and are allowed to operate as entrepreneurs, they reap the benefits of more elaborate productions. The special funds make this possible. If all the funds disappear into the general fund, there is little incentive (nor ability) to think creatively.

Thank you for the opportunity to provide this testimony.



HO'OLA LAHUI HAWAI'I
P.O. Box 3990; Līhu'e, Hawai'i
Phone: 808.240.0100 Fax: 808.246.9551

Finance Committee

Hon. Rep. Marcus Oshiro Ige-Chair
Hon. Rep. Marilyn Lee-Vice Chair

Testimony In **OPPOSITION** to HB 79 Relating to State Funds
Tuesday, February 15, 2011--3:00 P.M. Conference Room 308

As the only federally qualified health center on Kauai and the Native Hawaiian health care system we are in strong **opposition** to Section 110 of Senate Bill 120 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers as the general fund dollars were replaced with the special fund. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities to the agencies that serve them..

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts.

Primary care is the most effective way of preventing disease reducing cost in the system. For every dollar that the state invests in primary care it saved an average of \$4 in unnecessary medical costs. Ho'ola Lahui Hawai'i has over 70 employees and contributes roughly \$7 million directly into the local economy.

David Peters
Chief Executive Officer

Testimony Presented Before the
Finance Committee
February 15, 2011 at 3:00 p.m.

by
Aviam Soifer
Dean and Professor, William S. Richardson School of Law
University of Hawai'i

HB 79 – RELATING TO STATE FUNDS

Dear Chair M. Oshiro, Vice Chair Lee and Members of the Committee:

Simply put, passage of HB79 would do grievous harm to the entire Law School program. We are proud of what we have been able to do to serve Hawai'i and to realize the dream shared by Chief Justice William S. Richardson and those who helped him fight to found the Law School less than 40 years ago.

To sweep the funds as proposed would devastate our commitment to opportunity for all qualified students. It also would directly and drastically undercut the extensive public service we perform as well as the first-rate education and research we strive to provide.

In addition, it is my own view as a teacher, researcher, and writer about constitutional law for over 30 years that the proposed law would pose significant constitutional questions and might well be subject to constitutional challenge, primarily because of its substantial interference with the degree of autonomy guaranteed to the University of Hawai'i under the Hawai'i Constitution.

Thank you.

Testimony in Opposition to HB 79
Relating to State Funds

Committee on Finance
Marcus R. Oshiro, Chair
Marilyn B. Lee, Vice Chair

February 15, 2011
3:00 p.m.
State Capitol, Conference Room 308

Submitted by
Deborah Chai, Victim/Witness Counselor
Office of the Prosecuting Attorney
Hilo, Hawaii

Representatives Oshiro, Lee, and Members of the Committee:

I am a Victim Witness Counselor for the Office of the Prosecuting Attorney in Hilo, Hawaii, and I am writing to voice my opposition of House Bill 79. This bill would not only directly affect the services that the Crime Victim Compensation Commission (CVCC) provides, but would essentially shut this service down.

In my position, I directly see the benefits the CVCC offers to victims of crime. There is no other comparable service available, and without the CVCC I do not know where these victims would turn. This year I worked with a man whose front tooth was knocked out during an unprovoked assault. The CVCC was able to provide the funds to get this young man's tooth fixed. Although the trauma from the assault will take years for him to deal with, he is grateful that he no longer has to look in the mirror, see this missing tooth and be constantly reminded of what happened to him. He can smile for the first time in months, and only now feels like he can start to heal and move on from this traumatic event.

I worked with another client, who stepped in to stop an assault he was witnessing. He was just trying to be a Good Samaritan and do the right thing. He ended up being assaulted as well, and serious damage was done to his eye. The CVCC helped cover his emergency room visit and subsequent visits to an eye specialist.

These are just two of the hundreds of clients I have worked with who directly benefited from the services of the CVCC. There are numerous more just like them, whose stories are traumatic and heartbreaking. CVCC helps lift some of the burden these victims encounter as they try and heal from these events.

I understand the State is working hard to relieve the budget deficits, but this is not an area that can be compromised. The funds allocated to the CVCC are critical to the work they do. Please allow them to continue to do this work, and veto HB 79.

Testimony in Opposition to HB 79
Relating to State Funds

Committee on Finance
Marcus R. Oshiro, Chair
Marilyn B. Lee, Vice Chair

February 15, 2011
3:00 p.m.
State Capitol, Conference Room 308

Submitted by: Kimberly Hashimoto, Victim/Witness Counselor
Office of the Prosecuting Attorney
Hawai'i County

Representatives Oshiro, Lee, and Members of the Committee:

I am writing in opposition to House Bill 79. I am a Victim Counselor at the Prosecutor's office and work with victims of violent crimes. Crime Victim Compensation Commission relies on the CVC fee to assist victims with out of pocket medical assistance, loss wages and counseling services. CVCC also provides financial assistance with funeral costs for the family of a homicide victim. If the Crime Victim Fee is allocated to a general fund, they will no longer be able to provide assistance and may be forced to shut down.

Often victims of violent crime require medical attention or have injuries that prevent them from returning to work so they are left to deal with not only the psychological trauma of being a victim of a crime, but the financial loss that adds to their stress level in an already difficult time in their life. Anyone at anytime can be a victim of a violent crime. I have had many victims and families of a homicide victim express their gratitude to the financial assistance that they received during an extremely stressful and painful time in their life. The financial assistance also helps victims in their healing journey as it can renew their faith in people.

The staff at CVCC do a thorough review of each case to ensure that the funding is used appropriately and they have already suffered budget cuts that limit what they can provide. Please vote against House Bill 79 so that they can continue to provide this valued service to crime victims.

Personal Testimony Presented Before
The House Finance Committee

on

Tuesday, February 15, 2011

by

Brian Taylor, Dean

School of Ocean and Earth Science and Technology
University of Hawaii at Manoa

HB 79 – Relating to State Funds

Aloha Chairperson Oshiro, Vice-Chair Lee and members of the Committee. Thank you for the opportunity to testify in support of maintaining the University of Hawaii budget and against related parts of HB 79. My name is Brian Taylor. I currently serve as Dean of the School of Ocean and Earth Science and Technology (SOEST). I have been at UH Manoa since 1982.

HB 79 proposes to automatically repeal all special and revolving funds as of June 30, 2012. I hope to convince you that, with regard to the University of Hawaii Research Training and Revolving Fund (RTRF) there is and will be a continuing need for those funds and that the associated Statute – Section 304A-2253, Hawaii Revised Statutes – should not be repealed.

RTRF is like seed corn or fish bait – you can't harvest future produce without it. Even during the harshest winters and the toughest times, farmers don't eat their seed corn lest they starve during the next season. When reinvested, RTRF bears more fruit in the form of income to the State and local high-tech jobs. If taken away, it robs the future of the University and the State.

How is RTRF used? It provides:

- jobs/salaries for support staff (including some laid off from State funding cuts)
- debt service for new construction (e.g., \$22.5M C-MORE Hale)
- cost match funds required for many Federal grants
- seed money for new projects, start-up for new faculty, travel for effective networking
- funds for research equipment (that are no longer in the UH budget)
- working capital to cover unexpected events (we operate ships, subs, ROVs, AUVs)
- bridging salary support for staff/students between Federal grant award support.

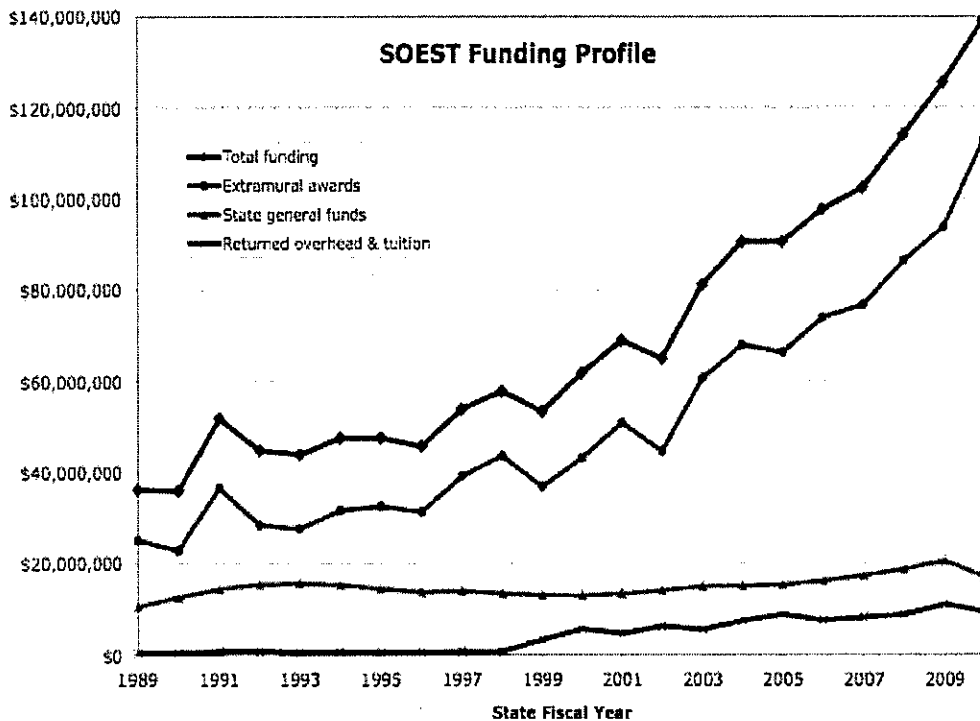
In short, RTRF is an economic multiplier. Reinvestment is critical. Short changing the Research and Training Revolving Fund would short change an economic engine of the State and the innovation that having a Research 1 university provides towards training a high-tech, well-paid work force.

SOEST is a UH success story. Created by President Al Simone in 1988, it brought together scientists and engineers working on matters of great importance to Hawaii, such as alternative energy, tropical weather, climate change, coral reefs, marine mammals, ocean resources; volcanoes, earthquakes and other natural hazards; coastal processes, and Earth satellites. It has grown to become one of the top four oceanographic institutions in the nation. The key to that growth has been out-competing our mainland colleagues for Federal, Industry, Private and International funding. And the key to that successful competition has been the reinvestment of RTRF in faculty, facilities and staff that began in 1999, near the nadir of State funding after the

last economic downturn in the mid '90's. Following the reinvestment of RTRF, there was a corresponding dramatic increase in the growth of extramural funding (see figure): to the point where it has doubled in the last decade and grown more than 50% just in the last five years when I have been Dean. Every week, SOEST now brings more than \$2M into Hawaii. In contrast, with the recent budget cuts, our State General funding is only 8% above that back in 1993, and much less when adjusted for inflation.

In closing, let me state clearly that (1) there is continued need for the University of Hawaii Research Training and Revolving Fund; and (2) the continued reinvestment of RTRF is critical to the State's most successful research enterprise, and the associated high-tech jobs and tech-transfer.

Mahalo for your consideration.



Written Testimony Presented Before
the House Committee on Finance
February 14, 2011, 3:00 p.m.

by
Michele Carbone, M.D., PhD.
Director, University of Hawaii Cancer Center
University of Hawaii at Manoa

HB 79 RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and Members of the Finance Committee:

Mahalo for the opportunity to share our opposition to the automatic repeal of special and revolving funds, including the cigarette tax fund as indicated in Section 2 of this Bill.

The University of Hawai'i Cancer Center studies cancer in relation to the unique physical, cultural, and environmental characteristics of Hawai'i. Our mission is to reduce the burden of cancer and ensure a healthier future for the people of our state. We are a research enterprise affiliated with the University of Hawai'i at Mānoa.

The UH Cancer Center is a recipient of funds generated through cigarette tax legislation passed in 2006. This funding is a major source of operations support for the UH Cancer Center and it enabled the Center to begin construction in October on a state-of-the-art cancer center that will greatly enhance and expand our research capacity.

The new Center will be completed in late 2012 and financing of the building is dependent upon a dedicated source of funding. Last fall, construction financing was obtained through state revenue bonds and was approved due to expected future revenues from the special cigarette tax fund. If the special fund were repealed, the Center would be compelled to seek from the Legislature a comparable amount from general funds set aside each year in order to fulfill existing commitments and to ensure the security of lenders and bondholders.

The UH Cancer Center is a National Cancer Institute (NCI) designated cancer center, one of only sixty-five in the nation and serves a national resource for cancer research and state-of-the-art treatment. We believe Hawai'i's population significantly benefits from the Cancer Center's maintenance of its prestigious NCI cancer center designation, focusing on the depth, breadth, and level of integration among its three research areas of laboratory, population-based, and clinical research.

The National Cancer Institute and the UH Cancer Center External Advisory Board have specified three key priorities in order to maintain the Center's NCI designation:

(1) Preserve the cigarette tax funding in order to expand the Center's research facilities; (2) recruit federally-funded investigators – scientists who bring expertise and a reputation for advancing cancer research and care; and (3) develop tumor site-specific clinical research in order to advance and improve cancer care.

We very much appreciate that the Legislature has maintained its commitment for the cigarette tax funding to the center last year, and we ask for continuance because it is critical to building the new UH Cancer Center. Tangible progress is being made in the recruitment of notable scientists and through the formation of the UH Cancer Consortium which includes the Queen's Medical Center, Hawaii Pacific Health and Kuakini Health System. These partners will contribute an annual funding commitment up to \$2.2 million used to support clinical research activities for specific types of cancers such as breast and liver, and to promote significant increases in patient accruals for clinical trials.

As the state's leading providers of cancer research and care come together in an unprecedented way, we will optimize our resources to support Hawaii's cancer patients through this inclusive, "matrix" model approach. The road to building a great cancer program has many challenges. But our direction is clear and focused. We are joined as a community of healthcare providers and professionals with a unified purpose to improve cancer care for the people of Hawaii. This will require your support in opposing the repeal of special and revolving funds including the cigarette tax fund.

Mahalo for your partnership in improving the health and well being of the people of Hawai'i.

2/14/2011

**House Committee on Finance
Representative Oshiro, Chair
Representative Lee, Vice Chair**

Public Hearing: 2/15/11, 3:00pm, Rm 308

Re: HB 79

Dear Chair Oshiro, Vice Chair Lee, and members of the Committee,

I strongly oppose House Bill 79.

The creation of numerous 'special funds' is the product many well-founded decisions. These special funds were created because it was seen as necessary for the betterment of the public good that these funds be specifically allocated. The programs funded through these special funds do warrant periodic evaluation to determine whether continued funding is in the public interest. However, a single act which removes funding from numerous programs without any consideration of each programs individual importance seems reckless and unwise. Fiscal prudence is not just about balancing budget. Fiscal prudence is about clearly understanding and evaluating existing resources and making informed decisions about their allocation. HB 79 is a rash move which embodies bad decision-making and bad governance. It is the duty of the House of Representatives to question the allocation of funds; however this duty includes using the outmost diligence to ensure any decisions are made for the public good. I urge the House of Representatives to immediately dismiss HB 79 and began the task balancing our budget with prudence and diligence.

Thank you for the opportunity to testify.

Daniel Alexander
MA Candidate
Department of Urban and Regional Planning
University of Hawaii at Manoa
danielal@hawaii.edu.com
Honolulu, HI 96822

Written Testimony Presented Before the
Committee on Finance
February 15, 2010, 3:00 p.m.
Conference Room 308
By
James J. Donovan III
Director of Athletics
University of Hawai'i at Mānoa

HB 79 RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and members of the Committees:

I am James J. Donovan III, Director of Athletics for the University of Hawai'i at Mānoa, and I am presenting personal testimony in opposition to HB 79 relating to repealing certain special and revolving funds including the University of Hawaii at Mānoa Intercollegiate Athletics Revolving Fund.

This bill repeals all UH special and revolving funds and transfers their balances to the state general fund. Such an action would be devastating for UH Mānoa and our athletics program. The University requires the flexibility to generate and expend funds for specific purposes, from student-led activities to research programs to the athletic program. Having such funds transferred to the state general fund endangers our ability to meet obligations related to those funds and virtually eliminates the opportunity for planning and prioritization by the athletic program.

The UH Mānoa Intercollegiate Athletics Revolving Fund was established in 1985 to account for the financial transactions of the UHM athletic programs. The financial support provided by the Revolving Fund covers all activities (administrative, support service, and sports) necessary and proper to operate and maintain an intercollegiate sports program at the NCAA Division I level for more than 450 male and female participants. Unlike General Funds, the UH Mānoa Intercollegiate Athletics Revolving Fund is unique and flexible. Intangible factors considered during the establishment were:

1. Providing flexibility to address unanticipated expenditures which may require an appropriation over the original ceiling; and
2. Permitting expenditures that are common and necessary to the operation of an athletic program that are not authorized by General Fund policies.

The Athletics Department Revolving fund earns revenue through selling tickets to intercollegiate events for football, men's and women's basketball and volleyball, and baseball. Additional revenue is earned from television and radio broadcast rights, corporate sponsorships, commissions on concession sales and vending, financial guarantees from contests played at an opponent's site, from various NCAA and Conference funds, and other revenue based initiatives. Expenses include payment to

Written Testimony Presented Before the Committee on Finance
February 15, 2010, 3:00 p.m.
Conference Room 308
James J. Donovan III
Director of Athletics
University of Hawai'i at Mānoa

employees for services, travel for student-athletes, coaches and staff to competitions and meetings, recruiting of prospective student-athletes, equipment, materials, and supplies, payments to officials, payment of guarantees to visiting teams, credit card fees for ticket sales, conference dues, and other related expenses.

We empathize with the financial challenges the Legislature faces. The UH Mānoa Athletics program continues to generate approximately eighty percent (80%) of our annual revenue and we are constantly looking for additional revenue streams to develop.

Thank you for the opportunity to testify in opposition to HB 79.

Testimony Presented Before the
Finance Committee
February 15, 2011 at 3:00 p.m.
by
Aviam Soifer
Dean and Professor, William S. Richardson School of Law
University of Hawai'i

HB 79 – RELATING TO STATE FUNDS

Dear Chair M. Oshiro, Vice Chair Lee and Members of the Committee:

Simply put, passage of HB79 would do grievous harm to the entire Law School program. We are proud of what we have been able to do to serve Hawai'i and to realize the dream shared by Chief Justice William S. Richardson and those who helped him fight to found the Law School less than 40 years ago.

To sweep the funds as proposed would devastate our commitment to opportunity for all qualified students. It also would directly and drastically undercut the extensive public service we perform as well as the first-rate education and research we strive to provide.

In addition, it is my own view as a teacher, researcher, and writer about constitutional law for over 30 years that the proposed law would pose significant constitutional questions and might well be subject to constitutional challenge, primarily because of its substantial interference with the degree of autonomy guaranteed to the University of Hawai'i under the Hawai'i Constitution.

Thank you.

The Associated Student of the University of Hawaii
Kauai Community College
Student Government
Student Activities Council

February 15, 2010

Dear State of Hawaii House of Representatives,

I am very disturbed to hear that in order to balance the state general budget, the state would like to repeal all University of Hawaii special and revolving fund such as student activities fees. As a student and student body president, I am against to bill ~~SB 79~~
HB 79

These fund is very important to the function of our organization. These funds are use to fund numerous campus clubs, co-curricular programs, and events and activities that benefit our student body and our island community. Events such as sponsoring the Kauai Island Utility Cooperative Forum, hosting of the Hawaii Blood Drive, and Earth Day. Also to mention a numbers of workshops regarding self improvement and awareness. In additions, these funds are use in the day-to-day operation of our Student Center and the on-going rejuvenation and technology upgrade in the center which is deeply needed to compete in today's society.

I ask you to remember your college years as a student put yourself in their shoes only to find out that the student activities fees in which you pay for is no longer their and the activities you wanted will not happen. So I humbly ask you, to please reconsider your position and vote against bill ~~SB 79~~.

HB 79

Sincerely,

Nelson Batalion
Associated Student of the University of Hawaii - Kauai Community College.
President

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 4:50 PM

To: FINTestimony

Cc: lycan@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: scot Lycan
Organization: Individual
Address:
Phone:
E-mail: lycan@hawaii.edu
Submitted on: 2/14/2011

Comments:

DO NOT PASS THIS BILL!! SB 120 should have gotten the message across when it was deferred. Why are you still playing politics as usual when its obvious that we the people, your boss, are catching onto your games of disguising things so you can get your way. Don't any of you have children enrolled in post secondary education? This is my last chance in life to become what i should have done a long time ago so I can be the father to my daughter I dreamed of. The only way for me to make it is through funding for the financially impaired. What is it that is so important that you need to take money away from education? What is it exactly? Tell me.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 4:51 PM

To: FINTestimony

Cc: waichu@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Wai Chu Leung

Organization: Individual

Address:

Phone:

E-mail: waichu@hawaii.edu

Submitted on: 2/14/2011

Comments:

Senator Marcus Oshiro, Chair
Senator Marilyn Lee, Vice-chair
Committee on Finance

Andrew Itsuno
President
Associated Students of the University of Hawai'i

Monday, February 14, 2011

Testimony OPPOSING HB-79 RELATING TO STATE FUNDS

To the Honorable Chair Marcus Oshiro, Vice Chair Lee and members of the Committee,

I would like to state that on behalf of the Associated Students of the University of Hawai'i and its constituents, we stand united in the opposition of House Bill 79.

If these funds or any funds from the reserves are taken, the effects would be devastating for student-led activities, as well as for the University as a whole.

Many students depend on various student programs to provide them with services that help them transition into the college experience. In fact the students, petitioned to raise their own student activity fees because they had a long range plan to utilize the fees to provide better services to the student body and the university. ASUH alone offers partial tuition awards, research grants, and student organization funding that helps ease the financial burden on students to attend the University and participate in different programs. If this bill were to pass, we would no longer be able to provide students with these opportunities.

It is understood that these reserves or cash balances are being considered for other uses because of the state's current financial situation, however, if this rationale is used, funds that are identified for very specific uses will not be used for their intended purposes.

Please do not penalize the Chartered Student Organizations and the students for their effective long-range planning and sound fiscal management.

I humbly ask that you oppose House Bill 79.

Thank you,

Andrew Itsuno
President
Associated Students of the University of Hawai'i
University of Hawai'i at Manoa

Testimony Opposing HB 79

February 14, 2011

My name is Diliaur Tellei, I'm a student at the University of Hawaii, and I oppose HB 79. I understand that the state of Hawaii is currently cash-strapped, but couldn't there be a better way to get funds than by siphoning those dedicated to education (among others)? I know that the University takes a lot of money to run, and that there exist better, more efficient ways to run it. However, cutting off funding on such a short schedule (a little more than two years) would do little to prompt the University to restructure – it would probably just hike tuition and make it harder for all students to attend. As I said in my testimony opposing SB 120, universities are the things that draw new blood into the state. People come as students, fall in love with Hawaii, then graduate and hopefully stay to become productive, educated members of society. Don't make it harder for people to stay, or even to come out here – Hawaii, like any other state, needs all the bright minds it can get. As I also said in my testimony opposing SB 120, education is a right, not a privilege, but as tuition continues to climb all over the country, it becomes more and more of an upper-class thing. The University of Hawaii draws people from all over the Pacific (and the world) and provides opportunities for a very diverse population of students, including minorities like native Hawaiians and other Pacific islanders. Please don't make it harder for UH to do that.

To Whom It May Concern.

I am writing in opposition of the passing of bill HB79. I am in the second year of undergrad at the University of Hawaii at Manoa and passing this bill would affect not only the tens of thousands of college students at the university, it would cut short my dreams of pursuing an education as well as a better life for my future. Without the department scholarship I received from UH Manoa, I would not have been able to attend college this semester. With already being on the Pell grant from the government, being awarded scholarship money meant the world to me, that I could continue on to push for that better future despite being in this economic crisis. Times have not been easy for all of us I understand that completely; but take it from a woman who comes from a poverty background when I say that passing HB79 would be devastating and is too much of a sacrifice that you are asking of us, college students, to withstand. Getting into University of Hawaii at Manoa was a dream came true, when I got my acceptance letter. When in high school I had already faced the death of my father and numerous illnesses of my mother. Every day I'm going hospital to hospital for them so attending college is my get away from the life I have at home. Being an only child, I had a lot on my plate as it is. Growing up, my family and I were always poor. Choosing monthly bills over food for the month was necessary and every month we lived pay check to pay check. Currently I am the care taker of my mom and grandma, both who are unable to work currently. For 19 years of life, I think I've sacrificed enough of my life. With the passing of HB79 I cannot imagine how unbearable my life, as well as all the other students who are dependent on scholarships, will play out. I'm sure you all are doing your best to get our state out of debt and for that I am grateful for. But please just as you were allowed to follow your dreams when you were my age, all me and my fellow college students to follow ours. After all we are the future for the state of Hawaii. My generation and the generations to come will suffer the consequences if bill HB79 is passed, and without a doubt government will be at fault for being the reason why the brighter future for Hawaii never came in the years to come.

Sincerely,

Noelani Liana Pasion-Callueng

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 4:00 PM
To: FINTestimony
Cc: btalisayan@waikikihc.org
Attachments: OPPOSITION Section 2 HB79.doc (24 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bryan Talisayan
Organization: Individual
Address:
Phone:
E-mail: btalisayan@waikikihc.org
Submitted on: 2/14/2011

Comments:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts. Some 2009 one-year increases:

- 46% increase in the number of patients whose primary diagnosis is mental illness.
- 33% increase in dental services for the indigent.
- 26% increase in Medicaid patients and 7% increase in homeless patients.

If community health centers aren't supported they can't be:

- The mainstay of the Medicaid provider network and the only place open to uninsured patients besides the ER.
- The safety net for people with mental illnesses.
- The provider of dental care for Medicaid patients and the uninsured.
- The source of care in rural areas without other health care providers.

Economic need for supporting community health center capacity:

- If community health centers lose capacity, the **indigent patients they should be caring for will increase inappropriate use of ERs**, delay care and end up in the hospital, or possibly causing harm to themselves or others due to mental illnesses left unaddressed.
- Community health centers provide a extensive array of services that help patients with the socio-economic problems that exacerbate their illnesses. However, health centers use innovative and comprehensive care models that cost the health care system less money and improve health outcomes. A recent study showed that care provided by community health centers costs \$1,262 less per patient per year. **Community health centers saved Hawaii's health care system \$160,000,000 in 2010.**

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:40 AM
To: FINTestimony
Cc: dryamagata@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Darrell Yamagata
Organization: UH Alumni Association
Address:
Phone:
E-mail: dryamagata@gmail.com
Submitted on: 2/14/2011

Comments:

The repeal of special and revolving funds collected for the purpose of supporting UH's programs and services would jeopardize the university's ability to provide a quality educational experience for Hawaii's student which is a critical to the State's future well-being.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 4:11 PM
To: FINTestimony
Cc: crystal.robbins76@yahoo.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Crystal Robbins
Organization: Individual
Address:
Phone:
E-mail: crystal.robbins76@yahoo.com
Submitted on: 2/14/2011

Comments:

Community health centers in Hawaii cared for 125,000 patients in 2009, making them the second-largest provider of primary care services in the state.
Our model of care at community health centers saves \$1,262 per patient per year; that means \$160 million in savings to the State in 2010.
71% are either uninsured or covered by Medicaid 47% of patients in 2009 were Medicaid enrollees (QUEST), which represents a 26% increase in Medicaid patients seen over 2008.
14% of patients were uninsured in 2010.
72% of patients are served in rural areas, where a CHC is often the only provider.
Patients with mental health needs grew by 46% in 2009.
17% of patients are legal COFA migrants who are facing benefit reductions and often present with significant, costly, and complex medical needs.
72% are below poverty. 84% are below 200% of poverty.
Homeless patients at community health centers grew by 7% in 2009.
Community health centers grew overall 10% in 2009, and have grown 42% over the past five years (neighbor island community health centers have grown by 62%.)

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:49 PM

To: FINTestimony

Cc: chemclub@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Isaac DeMello

Organization: University of Hawaii Chemistry Club

Address:

Phone:

E-mail: chemclub@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 1:36 PM

To: FINTestimony

Cc: htrenhaile53@hotmail.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: hannah trenhaile

Organization: University of Hawaii at Manoa

Address:

Phone:

E-mail: htrenhaile53@hotmail.com

Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 3:02 PM
To: FINTestimony
Cc: agampong@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: Testimony HB79.docx

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Alyssa Gampong
Organization: Individual
Address:
Phone:
E-mail: agampong@hawaii.edu
Submitted on: 2/14/2011

Comments:

February 14, 2011

Aloha,

My name is Alyssa Gampong and I am a student at UH West Oahu. I am also the current President for the Associated Students of the University of Hawaii-West Oahu (ASUHWO). I feel that it would be unfair to the students of the University of Hawaii if their fees are taken away from them. At UH West Oahu the activity fee that students pay every semester go towards providing events and activities to create and maintain a student life on campus. These events are important for every student's career in that it helps them to build relationships with one another which in turn help them to gain self confidence. These are traits that they will hopefully maintain as they work towards a career in Hawaii.

Moreover, these students who have chosen to get a college education deserve much more than simply going to class. The funds that we get from the student activity fees allow ASUHWO to help provide the students with a much more fulfilling college experience. This is especially crucial now as UH West Oahu looks forward to the opening of our new campus in Kapolei. A larger community on the west side of Oahu will have the opportunity for higher education. The special funds we have are the means we have to really celebrate this exciting time and hopefully attract and inspire other people to want a college education as well.

Mahalo,

Alyssa Gampong

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 2:37 PM
To: FINTestimony
Cc: hitomio@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Hitomi Ozaki
Organization: Individual
Address:
Phone:
E-mail: hitomio@hawaii.edu
Submitted on: 2/14/2011

Comments:

Please do not pass this bill. I am a student at University of Hawaii at Manoa and I am involved in a couple student organizations, a treasurer in one of them. The fund that ASUH provides us with is very important in expanding the options of activities we can host for our fellow student members. Since we are one of many student organizations, there is a limit to how much we can fundraise - because this usually means taking money out the pockets of the people around us; friends, family, and the faculty of our school. The money has to come from somewhere, and taking more money from these people who already pay high tuition and living expenses that continue to go up will hit a limit soon if these types of bills continue to get passed. I am in oppose of the bill. Thank you.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 2:53 PM
To: FINTestimony
Cc: elberry@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Liz L Berry
Organization: Individual
Address:
Phone:
E-mail: elberry@hawaii.edu
Submitted on: 2/14/2011

Comments:

Please stop trying to take money from the areas that need it the most. culture and education are vital to society. yet, you all consistently undervalue its importance. for goodness sakes start taxing soda and fast food! if you continue in the direction you are i will have future and be out of work like so many others i know! create jobs not destroy them!

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:06 PM

To: FINTestimony

Cc: bertz@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ned Bertz
Organization: Individual
Address:
Phone:
E-mail: bertz@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 2:56 PM
To: FINTestimony
Cc: danielhu@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Daniel Hu
Organization: Individual
Address:
Phone:
E-mail: danielhu@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:57 PM

To: FINTestimony

Cc: rombaoan@gmail.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Nicole Rombaoa

Organization: Individual

Address:

Phone:

E-mail: rombaoan@gmail.com

Submitted on: 2/14/2011

Comments:

The request of HB79 will not help the students who attend the University of Hawaii at Manoa. As a student who is feeling the effects of UH's already restricted budget, I am appalled at this bill. I oppose HB79!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 3:02 PM
To: FINTestimony
Cc: agampong@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: Testimony HB79.docx

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Alyssa Gampong
Organization: Individual
Address:
Phone:
E-mail: agampong@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:18 PM

To: FINTestimony

Cc: donegan@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Patricia Donegan

Organization: Individual

Address:

Phone:

E-mail: donegan@hawaii.edu

Submitted on: 2/14/2011

Comments:

This bill would seriously damage many programs that are good investments in the future of the State of Hawai'i. Wholesale cancellation of funding is not the answer. Effective and forward-looking programs should be maintained. If they are not, the long-run costs will be far greater.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:16 PM

To: FINTestimony

Cc: mariono@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Mari Ono
Organization: Individual
Address:
Phone:
E-mail: mariono@hawaii.edu
Submitted on: 2/14/2011

Comments:

My name is Mari Ono. I would like to voice my strong opposition to HB 79, which repeals certain special funds and transfers balances to the state general fund.

This is a wide ranging bill that, if passed, will result in devastating effects to the entire community in many areas. As a social worker and faculty of the MBT School of Social Work, I am very concerned about how the repealing of the specified special funds will affect the level and quality of services provided in such areas as mental health, substance abuse, disabilities, domestic violence, early child intervention, and public housing. Moreover, such an action would be devastating for UH Mānoa. As one of the few universities in the nation which serves as a land, sea and space grant institution, we will be rendered unable to address our charge to contribute to the health and well being of our citizens.

The ramifications of this bill will be severe and may further cripple our diminished capacity to support our Hawaii communities. I urge you to please vote no on this bill.

Mahalo a nui,
Mari Ono, MSW
Myron B. Thompson School of Social Work

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:29 PM

To: FINTestimony

Cc: ianlc@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Ian Constable

Organization: Individual

Address:

Phone:

E-mail: ianlc@hawaii.edu

Submitted on: 2/14/2011

Comments:

I am a recent graduate of UH originating from California. My department at UH, the Academy for Creative Media, lacks both faculty and resources to support the students properly. A new animation studio has opened recently in Honolulu but it's not my belief that the program is adequately armed to prepare students for employment at this kind of new venture.

By cutting off funding to the University, the State of Hawaii risks staunching this kind of new growth opportunity. If the University suffers from further cuts like the ones that lost me and my classmate our computer lab, the State can expect sensible students to move to higher education on the mainland, and remain there after graduation. This would deprive Hawaii of the talent pool new ventures in media and other fields require to get started in the state.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:29 PM

To: FINTestimony

Cc: hannahco@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: HANNAH COOPER
Organization: Individual
Address:
Phone:
E-mail: hannahco@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 2:07 PM
To: FINTestimony
Cc: jaysonan@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jayson Nakashima
Organization: Individual
Address:
Phone:
E-mail: jaysonan@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:54 PM
To: FINTestimony
Cc: mozoa@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Mychal Ozoa
Organization: Individual
Address:
Phone:
E-mail: mozoa@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 1:52 PM
To: FINTestimony
Cc: tordurkan@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Torsten Durkan
Organization: Individual
Address:
Phone:
E-mail: tordurkan@gmail.com
Submitted on: 2/14/2011

Comments:

A healthy environment for education will ensure proficient education for students. A community that is educated will ultimately produce more money and jobs leading to a better economy long-term.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:46 PM
To: FINTestimony
Cc: efisher@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Elizabeth Fisher
Organization: Individual
Address:
Phone:
E-mail: efisher@hawaii.edu
Submitted on: 2/14/2011

Comments:

Oppose HB 79. Repealing UH special and revolving funds would be hugely detrimental to the university and to our state. Vote NO on HB 79.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 1:36 PM

To: FINTestimony

Cc: jelarsen@hawaii.edu

Attachments: keeping fund for uh.rtf (934 B)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Jessica Larsen

Organization: Individual

Address:

Phone:

E-mail: jelarsen@hawaii.edu

Submitted on: 2/14/2011

Comments:

PLEASE DO NOT REMOVE THESE FUNDS FROM OUR UNIVERSITY. Remember Pono.

Aloha

The funding for extra curricular activities is highly important for the pono of University of Hawaii. Without funds for student activities the student population will feel less of a unity and this will motivate for students to enroll in another school, somewhere that they can feel like their ideas are important and promoted by the University. It is critical that we continue to have flexibility with funds to increase creativity and promote students to carry out ideas they have. In the long run these funds are an investment to the Universities future.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 1:31 PM

To: FINTestimony

Cc: bioplast4fishies@hotmail.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Terence Lau

Organization: Individual

Address:

Phone:

E-mail: bioplast4fishies@hotmail.com

Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:09 PM
To: FINTestimony
Cc: captainmarissa@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Marissa McMahon
Organization: Individual
Address:
Phone:
E-mail: captainmarissa@gmail.com
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:09 PM
To: FINTestimony
Cc: Pirsig@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lionel Pirsig
Organization: ASUH @ UHM
Address:
Phone:
E-mail: Pirsig@hawaii.edu
Submitted on: 2/14/2011

Comments:
In regards to HB79

While I understand that our government needs money, this targeting of the UH special funds could easily cripple the University of Hawaii system.

I am a participant with a few different Chartered Student Organizations (whose funds would be targeted by this bill). I am also attending college in large part thanks to scholarship. If this bill were passed as it stands, it would severely impact the quality of education at our institutes, which would in turn have an impact on the future professionals of Hawai'i.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:45 AM
To: FINTestimony
Cc: smartel@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Stephen Martel
Organization: Individual
Address:
Phone:
E-mail: smartel@hawaii.edu
Submitted on: 2/14/2011

Comments:

Hello. Please do not pass this bill. The RTRF funds at UH serve to seed future projects and take advantage of windows of opportunity. Cuts to date have already compromised the ability of UH to compete for extramural funding. This bill would further diminish the ability of UH to compete for extramural funding. Businesses need funds to develop future projects and take advantage of windows of opportunity, and so does UH. Thank you. Stephen Martel

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:18 AM

To: FINTestimony

Cc: dduffy@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: David Duffy
Organization: Individual
Address:
Phone:
E-mail: dduffy@hawaii.edu
Submitted on: 2/14/2011

Comments:

Removing the special funds in June 2012 would throw the state into chaos. Those funds are there for a reason. Shouldn't we figure out what they are before we get rid of them?

This reminds me of the guy who decided his parachute was too heavy, so he cut about 130 chords off it without thinking what they did. The impact was impressive but the effect was terminal.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:07 AM

To: FINTestimony

Cc: kweng@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Kevin Weng

Organization: Individual

Address:

Phone:

E-mail: kweng@hawaii.edu

Submitted on: 2/14/2011

Comments:

Aloha, please amend or reject HB79. It is my understanding that this bill contains a provision to shut down ALL special funds on June 30, 2012. This will be very detrimental to the State, and very detrimental to UH, one of our engines of progress, innovation, training and growth.

Thanks, Kevin Weng

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:07 AM

To: FINTestimony

Cc: bbrooks@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Ben Brooks

Organization: Individual

Address:

Phone:

E-mail: bbrooks@hawaii.edu

Submitted on: 2/14/2011

Comments:

My understanding is that the Legislature established special funds because general fund appropriations did not work and that many of these funds are fee for services. The Attorney Generals Office has already said that related bill SB 120 is unconstitutional and illegal. This bill attempts to do the same thing and should not be supported.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:13 AM

To: FINTestimony

Cc: wcaron@hawaii.edu

Attachments: Opposing HB79.pdf (28 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: William Caron

Organization: Individual

Address:

Phone:

E-mail: wcaron@hawaii.edu

Submitted on: 2/14/2011

Comments:

To the members of the House Committee of Finance:

Testimony in opposition to HB79

After Senate Bill 120 was met with severe opposition last week by both members of the UH community as well as by officials from many of the 100 or so state organizations which would have been severely harmed by it, it is amazing to me that the House feels it is a good idea to propose a bill that would essentially do the same thing.

As was reported in both the Star-Advertiser and Ka Leo O Hawaii, students, faculty and administrators are, for once, united in complete opposition to Senate Bill 120, and will feel no differently about House Bill 79.

The state is facing a multi-million dollar deficit, true. But repealing funds that are in place specifically to protect the state's multi-faceted and unique situation is shameful. How can you, in good conscience, pass a bill which takes money out of funds dealing with such vital issues as food security; public and environmental health and safety; emergency medical services; mental health and substance abuse; family violence; public housing assistance; beach restoration; maintenance and parks, forests and nature reserves; aquaculture development; water resource management; irrigation, dam and reservoir repair and maintenance; energy security; economic development including commercial fisheries; teacher standards and K-12 and higher education operations and student support.

Stripping down the state's infrastructure in order to pay off debt is shortsighted and ludicrous and is not a solution. Stripping down the University of Hawai'i's infrastructure to pay off debt is just as bad. The University of Hawai'i is one of the top sources of state investment and brings in millions in research and development grants. That's only possible as long as students still enroll. What student would want to attend a university with no funding for any kind of student co-curricular activity, no funding for student government and no vehicles to carry their voice?

If this bill passes, our state debt may be alleviated - but at what cost to our land, our people and our future? Our parks will be in disrepair, our struggle with drug addiction will have been set back by years, our food and water resources will be in shambles, our beaches will disappear, our energy dependence will be worse than ever, our public school system will still be a backwater and a failure and our institution of higher learning will be a shell. Who could call that a paradise?

We know times are tough, we know things are bad - everyone knows this - that's not an excuse to destroy our future simply for some short-term relief.

It's time to start looking at other solutions. How much of the state budget goes towards the military? How much of the state budget goes to paying ridiculous salaries to mediocre public officials? How much of the state budget is wasted on corruption, enlarged bureaucracy and ridiculous projects like renovating the college-hill mansion for a UH President who doesn't even live there (I actually know the answer to that one: \$600,000)?

If you're going to cut something from UH, cut the salaries of every top level UH administrator, regent and mediocre football coach and look into the corruption

at both the UH level and the state level. Stop wasting money on things we don't need and stop cutting things we do; raise taxes on the wealthy, raise taxes on big business. They can actually afford to pick up the slack when no one else can.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:04 AM

To: FINTestimony

Cc: jcowen@soest.hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: James Cowen

Organization: Individual

Address:

Phone:

E-mail: jcowen@soest.hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 10:49 AM

To: FINTestimony

Cc: pcooper@hawaii.edu

Attachments: Testimony on HB79.doc (21 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Patricia Cooper

Organization: Individual

Address:

Phone:

E-mail: pcooper@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony on HB 79

I am not offering official testimony on behalf of the University of Hawai'i, although I currently serve as Interim Dean of Graduate Division. HB 79 automatically repeals all special and revolving funds in existence as of June 30, 2010 on June 30, 2012 and transfers their balances to the State general fund. First of all, in general, 'special and revolving funds' of all kinds allow state agencies to charge fees for services and products, allowing them to be more entrepreneurial by identifying and utilizing additional (non-State) income streams.

The Graduate Division of the University of Hawai'i charges applicants an admissions fee, which is almost universally practiced in the United States. We have a special fund into which application fees are deposited. The special fund was created and the application fees were authorized because Graduate Division (as part of the UH System) could no longer rely on State funds to completely cover operational expenses. As State funding of higher education continues to dwindle, special funds, i.e. application fees, play an increasingly important role in financing operations. This particular special fund covers expenses associated with the processing of applications to graduate programs for the university system, such as salaries, student help, supplies and equipment, IT support. The employees currently paid using these funds would have to be let go. Graduate Division simply could not function without these employees and would have to close its doors. Even sweeping the funds would be disastrous. Most of the fees are collected in Spring for Fall applicants and relatively little is collected over the summer. Should we lose the balance in the account, we would have to severely curtail admissions.

In short, passing this bill would adversely impact and perhaps eliminate graduate education at UH.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:53 AM
To: FINTestimony
Cc: kw4@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Kristen Wheeler
Organization: Individual
Address:
Phone:
E-mail: kw4@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 10:38 AM

To: FINTestimony

Cc: jimc@hawaii.edu

Attachments: Test_HB75_2011_Feb.doc (29 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: James F. Cartwright

Organization: Individual

Address:

Phone:

E-mail: jimc@hawaii.edu

Submitted on: 2/14/2011

Comments:

I submit this testimony in opposition to HB 75.

The University of Hawai'i has served the people of the state for over 100 years. It was created by the legislature of the Territory of Hawai'i in 1907 and expanded to university status in 1919, effective July 1920, in order to provide higher education opportunities to all citizens of Hawai'i. The University of Hawai'i has done this very well over the past century plus.

As part of its efforts to function efficiently, the university depends upon a variety of revenue sources, many of which have specified sources and/or specified uses. Tuition is one of those sources. When I first arrived at the University of Hawai'i in 1988, tuition revenue went into the state's general fund. Tuition revenues "disappeared" into the general funds; they were not traced, so what went to the university from the general funds could not necessarily be traced to or limited to tuition revenue. What the university received each biennium was by the grace of the legislature. About twelve years ago, the state offered the university its autonomy, but in exchange the legislature voided certain funding minima promised by the governor and funded by the legislature. Simultaneously, the state granted that tuition funds would go directly to the university via a special fund, not into the general funds of the state. Up to that point tuition seldom rose, because the university had no guarantee that the tuition revenue would come to it. Since then, especially because funding from the legislature has been increasingly difficult to obtain and maintain, tuition has had to increase dramatically. Now the legislature seeks to deprive the University of its tuition revenue as well as revenue from a number of other funds.

Voiding this special fund alone would unfairly deprive the university of valued income. All programs which do not generate extensive grant funds would become totally dependent upon the state legislature. Autonomy would cease to exist. Some of these funds were created to support the university because the legislature and governor were unwilling to provide that support from the general funds of the state. Unless the current legislature is ready and willing to commit not only the current legislature but all future legislatures to vastly increased support of the university system, the university will suffer immensely in its mission. Without such the legislature's making such a commitment, I cannot see how it could honorably pass this bill.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 10:25 AM

To: FINTestimony

Cc: dsater@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Diane Sater
Organization: Individual
Address:
Phone:
E-mail: dsater@hawaii.edu
Submitted on: 2/14/2011

Comments:

I cannot believe that there is a bill like SB120 that's getting sneaked past. Students are paying taxes to the state already. Their student activity fees are for the STUDENTS to have STUDENT LIFE events on their UH campus. This money is for the STUDENTS ONLY and if this money were to be put back into the general funds then its the same as taxes because the student activity fees are MANDATORY for the students.

Please stop this nonsense of stealing from the students of Hawaii. I'm struggling to even pay the gas to get to campus and oftentimes ride the bus - that is a daily 3hours+ commute to and from school. I struggle to eat lunch because the school cafeteria's food is so expensive. Taking away the money that students pay for student activities is HIGHWAY ROBBERY!

I OPPOSE KB79!!!

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 10:26 AM

To: FINTestimony

Cc: bcompton@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Bethany Compton

Organization: Individual

Address:

Phone:

E-mail: bcompton@hawaii.edu

Submitted on: 2/14/2011

Comments:

I Bethany Compton, ASUH KCC, first caucus delegate, is in opposition of no. HB 79 bill regarding..... The sweeping and the robbing of student run associations savings funds, regarding student governance, Student life, activities and clubs. To this measure of extreme but preventable measures which will be further conferred, I Bethany Compton is in high opposition of HB 79 bill regarding the collections of student saved funds.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 10:33 AM

To: FINTestimony

Cc: wab@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: William Boisvert

Organization: Individual

Address:

Phone:

E-mail: wab@hawaii.edu

Submitted on: 2/14/2011

Comments:

This is a terrible bill that would take away from many of the necessary programs that sustain our society. To transfer the special and revolving funds to general funds is akin to taking it away. I am voicing a strong opposition to this bill.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:17 AM
To: FINTestimony
Cc: wpreston@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Whitney
Organization: Individual
Address:
Phone:
E-mail: wpreston@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:14 AM
To: FINTestimony
Cc: mckimmy@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Paul McKimmy
Organization: Individual
Address:
Phone:
E-mail: mckimmy@hawaii.edu
Submitted on: 2/14/2011

Comments:

Revoking UH special and revolving funds would devastate the University and myriad critical projects in progress - including the distance education programs offered by College of Education.

Would you please stop this senseless conversation?

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:26 AM
To: FINTestimony
Cc: boryann.liaw@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Boryann Liaw
Organization: Individual
Address:
Phone:
E-mail: boryann.liaw@gmail.com
Submitted on: 2/14/2011

Comments:

Just because the legislature needs to balance the budget, this bill (HB79) was created to take an easy way out. I wonder if this legislature understands how to serve people, which it represents. Many of the programs and funds that it designed to tap in are vital to our community and future of Hawaii. I resent the intention of this bill that runs against the well being of the people of Hawaii and those who work hard to serve for the purpose of building a better environment for our community.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:26 AM
To: FINTestimony
Cc: sarahyapuh1@yahoo.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Sarah Yap
Organization: Individual
Address:
Phone:
E-mail: sarahyapuh1@yahoo.com
Submitted on: 2/14/2011

Comments:

I do not support this this bill because it is a very short sighted fix that can have drastic implications to the programs affected. These funds have been collected for specific purposes so that needs within the community can be addressed. Taking these funds will cut programs, services and use savings for building renovation and upkeep. In the long run, there could be greater dependence on the government to meet these needs. Thanks.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:30 AM
To: FINTestimony
Cc: andreaik@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Andrea Kualii-Kahoohanohano
Organization: Individual
Address:
Phone:
E-mail: andreaik@hawaii.edu
Submitted on: 2/14/2011

Comments:

i pay tuition to get the full college experience at Manoa. If the state is going to take the money we pay for our college experience, I say that they should lower our tuition costs.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 4:34 PM
To: FINTestimony
Cc: m.keoni.guss@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Matthew Guss
Organization: Individual
Address:
Phone:
E-mail: m.keoni.guss@gmail.com
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 4:56 PM
To: FINTestimony
Cc: stacey@ccmaui.org
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Stacey Krenelka, LCSW
Organization: Individual
Address:
Phone:
E-mail: stacey@ccmaui.org
Submitted on: 2/14/2011

Comments:

I oppose Section 2 of this bill, which will result in the total elimination of all state funding for Community Health Centers. The CHC's provide medical care and other related services to our homeless, uninsured and medicaid patients. If we are unable to provide medical services for our patients, where will they go? The cigarette tax money must be preserved for the CHC's.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 4:52 PM
To: FINTestimony
Cc: bufil@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Haley Bupil
Organization: Individual
Address:
Phone:
E-mail: bufil@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 5:14 PM
To: FINTestimony
Cc: skillman@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Teri L. Skillman
Organization: Individual
Address:
Phone:
E-mail: skillman@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 5:21 PM
To: FINTestimony
Cc: kevanr@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: kevan
Organization: Individual
Address:
Phone:
E-mail: kevanr@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 5:22 PM
To: FINTestimony
Cc: ShadowWalker1600@yahoo.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Paul Kaleolani Smith
Organization: Individual
Address:
Phone:
E-mail: ShadowWalker1600@yahoo.com
Submitted on: 2/14/2011

Comments:

Please Kokua. These are the funds that pay for the rising uninsured population. With large cuts to medicaid proposed, elimination of special funds to support eligibility/outreach and uninsured funds at the state level and \$1.3 billion in cuts to FQHC's proposed at the federal level--we need your support to provide for the neediest individuals in our state. Please Do Not Cut any monies that can & will help our Community Health Centers, care for those in desperate need of the medical services. Mahalo

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 5:23 PM
To: FINTestimony
Cc: corinac@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Corina Sampaia
Organization: Individual
Address:
Phone:
E-mail: corinac@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 5:43 PM
To: FINTestimony
Cc: kahang@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ka Hang Lai
Organization: Individual
Address:
Phone:
E-mail: kahang@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:07 PM
To: FINTestimony
Cc: murps123@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Devin Madan
Organization: Individual
Address:
Phone:
E-mail: murps123@gmail.com
Submitted on: 2/14/2011

Comments:

this bill is bad for the longterm economic outlook of Hawaii. the University creates 3 dollars for every dollar spent at U.H. restricting funds will only harm Hawaii's economy. If you look at countries without major industry driving their economy. They succeed by providing high research and innovation through science and technology. restricting funds will only hamper our progress in these areas. Which will destroy our competitiveness in the modern economy.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:28 PM
To: FINTestimony
Cc: nahoku@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Nahoku Rabot
Organization: Individual
Address:
Phone:
E-mail: nahoku@hawaii.edu
Submitted on: 2/14/2011

Comments:

Dear Senate Ways and Means Committee,

I, Treasurer Nahoku Rabot of Associated Students of the University of Hawaii at Kauai Community College (ASUH-KCC) Student Government, strongly disagree with the HB79 bill, which would repeal all University of Hawaii special and revolving funds then transfer their balances to the state general fund.

As a Treasurer in ASUH-KCC Student Government, we use the student activities fee revenue to support campus organizations, student events, and community events that we sponsor each semester.

Please don't pass the HB79 bill because repealing our students activities fee revenue will cripple our student life and prevent us from supporting co-curricular programs, campus organizations, and community events.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 1:22 PM

To: FINTestimony

Cc: choich@hawaii.edu

Attachments: Objection.docx (28 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Changhwan Choi

Organization: Individual

Address:

Phone:

E-mail: choich@hawaii.edu

Submitted on: 2/14/2011

Comments:

Objection

Please make no more tuition raise and the lack of scholarships. We, students, already have borne heavy burdens from these.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:43 PM

To: FINTestimony

Cc: mgagarin@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Manuel

Organization: Individual

Address:

Phone:

E-mail: mgagarin@hawaii.edu

Submitted on: 2/14/2011

Comments:

I oppose this bill, we can't have our funds swept away.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 12:59 PM
To: FINTestimony
Cc: thomas@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Thomas W Giambelluca
Organization: Individual
Address:
Phone:
E-mail: thomas@hawaii.edu
Submitted on: 2/14/2011

Comments:

This bill wrongly and unconstitutionally shuts down all special funds on June 30, 2012. For the same reasons that SB 120 is a bad idea, this bill will not be good for the State of Hawaii. The legislature established special funds to allow organizations to maintain continuous operations through throughout the fiscal year. Many of these special funds are derived from fees for services. Shutting them down will have a multitude of negative consequences for the State. I strongly urge the House to reject this bill.

Thomas Giambelluca
Professor
University of Hawaii at Manoa

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:01 PM
To: FINTestimony
Cc: carohc@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Caroline Ching
Organization: Individual
Address:
Phone:
E-mail: carohc@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:07 PM
To: FINTestimony
Cc: isaac3@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Isaac Lipscomb
Organization: Individual
Address:
Phone:
E-mail: isaac3@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 1:01 PM
To: FINTestimony
Cc: davidgri@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: support
Testifier will be present: No
Submitted by: David A Griffith
Organization: Individual
Address:
Phone:
E-mail: davidgri@hawaii.edu
Submitted on: 2/14/2011

Comments:

I agree with what you are doing. The only thing that I would change is that I would allow them to collect the fees and use them during the fiscal year. At the end of the year any monies still remaining would roll-over into the general fund. These accounts are not meant to be a way to keep money, but to spend the users fees during the time they have been paid.

Thank you for allowing me to voice my opinion.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:54 PM

To: FINTestimony

Cc: carabw@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: cara wilson

Organization: Individual

Address:

Phone:

E-mail: carabw@hawaii.edu

Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 12:59 PM
To: FINTestimony
Cc: menghini@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: testimony.txt

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: angie menghini
Organization: Individual
Address:
Phone:
E-mail: menghini@hawaii.edu
Submitted on: 2/14/2011

Comments:

testimony.txt

We are paying for our education. Let us enjoy and benefit from it. stop taking our education money and using it for other things.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:44 PM

To: FINTestimony

Cc: akinar@hawaii.edu

Attachments: testimony2.doc (27 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Richard Akina

Organization: Individual

Address:

Phone:

E-mail: akinar@hawaii.edu

Submitted on: 2/14/2011

Comments:

I am writing in opposition of HB79, which would strip UH of funds provided by the state. This is yet another veiled attempt to take money away from the University, and as shown by the incredible amount of backlash from SB120, if this bill were to pass, it would severely damage the ability of UH to provide quality education for its students, which are increasing year by year. The current economy is tough on everyone, not just on the budgets of state governments, but on regular people as well, who are hurting to make ends meet. A lot of my friends who got into prestigious universities and IVY league schools are now having no choice but to transfer to UH because their families cannot afford the tuition any longer. UH remains as one of the last chances for the upcoming generations to get a quality education and to prepare themselves for their future. I need not stress the importance of education in society, as it readies the young people to go into the workforce and makes them marketable and competitive in the job markets, which is what we need in these harsh economic times.

In a time in which people are increasingly relying on the University of Hawaii for financial support, to strip that funding away would have devastating repercussions. There's no telling how many thousands of families will become unable to send their kids to college because the state wants to balance the budget to make room for other things like mass-transit systems. Tell me, what use is a train to commute to work, if nobody has jobs? I urge the House to get their priorities straight, and think not just about cutting spending for the sake of cutting the budget, but cutting where it can cause the least possible damage, and cutting educational funding for UH is not one of those areas.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:44 PM

To: FINTestimony

Cc: hkalehua@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Heather

Organization: Individual

Address:

Phone:

E-mail: hkalehua@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:46 PM

To: FINTestimony

Cc: asy@email.unc.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Angela Sy
Organization: Individual
Address:
Phone:
E-mail: asy@email.unc.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:40 PM

To: FINTestimony

Cc: Chantel2@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Chantel Domenden

Organization: Individual

Address:

Phone:

E-mail: Chantel2@hawaii.edu

Submitted on: 2/14/2011

Comments:

I don't know why you senators want to take our money that we work for. You senators should really look at other sources instead of the schools fund, because its not right we work hard for us to get what we want. I'm a pregnant and single mom who works hard. You senators should not take our money.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:42 PM

To: FINTestimony

Cc: bwong11@live.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Brandon Wong

Organization: Individual

Address:

Phone:

E-mail: bwong11@live.com

Submitted on: 2/14/2011

Comments:

Find your own money.

To: TCItestimony@capitol.hawaii.gov
Subject: HB79 - TESTIMONY IN OPPOSITION
Date: 2/15/11
Committee: House Finance Committee
Date: February, 15, 2011
Time: 3pm

Aloha Chair Oshiro and Committee Members,

I oppose the adoption of this bill as it acts as a tax upon students of higher education at a time when it is in the Hawaii's long-term economic best interest not to hinder this particularly vulnerable class with additional debt. Instead, the Legislature should be looking at how to cut costs and reduce inefficiency.

Students pay fees for clubs and Charter Student Organization activities in the expectation that those funds will be used for their benefit and to further causes they are active in. By sweeping these funds in June 2012, the Legislature essentially takes the money students have paid and spends it elsewhere. The students will then be forced to replenish these funding coffers with additional fees.

CSO activities provide valuable leadership opportunities to students. By sweeping all of the funds for CSOs into the general fund in June of 2012 the Legislature essentially denies students the opportunity to plan for such activities, possibly losing out on the value they provide.

What the legislature should be investigating is not how to gouge students out of more debt, but rather on how to reduce waste and inefficiency in the UH System. For example, how is it possible that merely because of union negotiations half the employees of UHM get to have secret salaries, shielded from public scrutiny? See <http://www.kaleo.org/news/civil-beat-publishes-uh-m-noa-salaries-1.2418452>. How is it possible that UHM is the third largest water user on the island after the Chevron Oil Refinery and the Kaneohe Marine Corp Base? See <http://www.kaleo.org/news/water-waste-on-campus-shows-system-inefficiencies-1.2282630>. When are professors going to be properly evaluated, by students, peers and administrators, so that the worst of them can be fired and the best of them given raises? How many audits of the UH System have actually been performed and how many of those audits actually had any results?

It is also important to note that one of UHM's major issues is its lack of an ability to plan ahead. This is due primarily to that fact that it is forced to rely on the Legislature for funding and the politics of that situation leads to uncertainty. Taking away UHM's revolving funds will merely exacerbate this problem and lead to more maintenance disasters such as UHM's irrigation system.

Students at UH Manoa have already been forced, over their strenuous objections, to paying an athletic fee for an athletic program incapable of balancing its books. This back-door tax on students is a further insult to the democratic values the UH System should be instilling in students.

At this time I object to HB79.

Samuel Wilder King II
JD Candidate, WSRSL
UHSC Representative; 1L Student Bar Association Representative

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 12:01 AM
To: FINTestimony
Cc: jfagafa@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Janice Fagafa
Organization: Individual
Address:
Phone:
E-mail: jfagafa@hawaii.edu
Submitted on: 2/15/2011

Comments:

I do not believe this bill along with that of SB 120 is fair to the students and I ask that you please not pass this bill. Thank you for your time.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 7:12 PM
To: FINTestimony
Cc: ericjk@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: eric_klevansky_testimony.doc

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: eric klevansky
Organization: KTUH radio
Address:
Phone:
E-mail: ericjk@hawaii.edu
Submitted on: 2/14/2011

Comments:

My name is eric Klevansky. I am the training director at the university radio station on campus. KTUH 90.3 fm is a 100% student run radio station, with live student DJ's 24/7/365 a rare feature of any radio in the country. DJ's switch every 3 hours, so in a single week there are 50-60 DJs who play on the radio. We have been on air in Honolulu for over forty years.

Our only current funding comes from student fees other then our own fundraising. Those student fees will be taken away in bills HB 79 and SB 120. those student fees are allocated, from a small percentage from students total tuition payments, to organizations on campus that benefit students in educational extra curricular activities like KTUH.

I am a student myself. With classes at 3-6am I train over 60 students each year on how to become disciplined professional DJ's and radio personality's. KTUH has been and is a career launching point, for many students into radio, tv, and film industries. As well as professional DJ, sound engineering, Public relations, and much more, including teaching. KTUH is also a center for community education for the entirety of Oahu, with diverse alternative programming.

We need our student fees as do many groups on campus. We have forty year old equipment, that needs to be updated. We need the thousands of dollars that we have saved to go to equipment that costs thousands. All our dj's are volunteer.

For the good of the students and the good of oahu. Please don't take away our funding.
Eric Klevansky training director KTUH radio

My name is Eric Klevansky. I am the training director at the university radio station on campus. KTUH 90.3 fm is a 100% student run radio station, with live student DJ's 24/7/365 a rare feature of any radio in the country. DJ's switch every 3 hours, so in a single week there are 50-60 DJs who play on the radio. We have been on air in Honolulu for over forty years.

Our only current funding comes from student fees other than our own fundraising. Those student fees will be taken away in bills HB 79 and SB 120. Those student fees are allocated, from a small percentage from students' total tuition payments, to organizations on campus that benefit students in educational extra-curricular activities like KTUH.

I am a student myself. With classes at 3-6am I train over 60 students each year on how to become disciplined professional DJ's and radio personalities. KTUH has been and is a career launching point, for many students into radio, tv, and film industries. As well as professional DJ, sound engineering, Public relations, and much more, including teaching. KTUH is also a center for community education for the entirety of Oahu, with diverse alternative programming.

We need our student fees as do many groups on campus. We have forty year old equipment, that needs to be updated. We need the thousands of dollars that we have saved to go to equipment that costs thousands. All our DJ's are volunteer.

For the good of the students and the good of Oahu. Please don't take away our funding.

Eric Klevansky training director KTUH radio

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 9:17 PM
To: FINTestimony
Cc: sedu@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: 0214.doc

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Samantha Edu
Organization: Individual
Address:
Phone:
E-mail: sedu@hawaii.edu
Submitted on: 2/14/2011

Comments:

To Whom It May Concern:

I oppose bill HB 79, for we the students of the University of Hawaii at Manoa should not have to give up our precious resources and funding for student activities because the government needs more money.

Thank you.

As a former DJ on KTUH-FM, I believe that passing House Bill 79 to repeal the funding for the University of Hawai'i's student organizations would be disastrous, not just for the student community but for the O'ahu community-at-large. When I was in the last few weeks before the end of my show, the phone would ring off the hook from callers of all ages from all over the island who told me how much my show and KTUH meant to them. I know this sounds dramatic, but I've had callers who were obviously in deep depressions, maybe even suicidal, call in and tell me that the music I was playing had turned around their lives and given them hope. As the only locally-funded, non-commercial radio broadcast on the island, not to mention the only student-organized radio and the only radio where DJs get to pick their own music and play anything within FCC regulations, the service that KTUH-FM provides to the O'ahu community is unparalleled. By voting against House Bill 79, you are voting for the future of one of the nation's great college radio stations, you are voting for another generation of student DJs to not only learn a trade but learn to reach out to the community, and you are voting for our tens of thousands of listeners across the island.

Thank you,

Justin Stein
a.k.a. "The Professa"

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 6:32 AM
To: FINTestimony
Cc: gove@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jamison Gove
Organization: Individual
Address:
Phone:
E-mail: gove@hawaii.edu
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 5:39 AM
To: FINTestimony
Cc: marchaggerty@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Marc Haggerty
Organization: Individual
Address:
Phone:
E-mail: marchaggerty@gmail.com
Submitted on: 2/15/2011

Comments:

Hello,
Please, please, please, don't take away the funding for KTUH - the university radio station!
This is the only place on the entire radio that you can hear a wide range of commercial free,
non-mainstream music! It is a good thing for UH, for the community as a whole and for the
people of oahu in general. I don't want to live in a world without college radio stations.
Please think again before cutting funding to yet another worthwhile program.

Marc Haggerty

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 2:27 AM
To: FINTestimony
Cc: steviets@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Stevie Suan
Organization: Individual
Address:
Phone:
E-mail: steviets@hawaii.edu
Submitted on: 2/15/2011

Comments:

America is in one of its most trying moments in history, and to solve the problem we are taking funding and opportunities away from people who would fix it? This makes absolutely no sense and is completely counter productive. Without affordable, high-quality education, there will be a serious lack of potential and initiative as a direct result of this measure. Without funding, how can people receive the education that they need, or gain the various experiences that they need to support themselves in the future? This is an appalling development and will lead to the downfall of our beloved nation.

Combining the funding for schools with that of the state will only lead to more distress and turmoil. How can a school attract worthwhile students to improve their standing if they cannot afford to give them what they need? If there are less students, and especially less quality students, the school's enrollment and prestige will drop, thus decreasing the amount of money they will receive. If this happens, inevitably the state too will loose out on this source of income. What we will create is a terrible spiral downwards. Furthermore, regardless of financial issues, there will also be serious repercussions for the student body of the state as a whole. People will start to receive worse and worse quality education, and opportunities for students and teachers alike will fall. Education is the way out of a situation like this, and should be stabilized and funding increased. With more educated citizens, we as a nation can avoid further situations like this.

Passing this measure will be a grave mistake on the part of the state. As our nation begins to crumble, I will have no part in saying that I supported this measure, one of the first cracks that will send our foundations crumbling down.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 12:35 AM
To: FINTestimony
Cc: ballmer@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Maxim D. Ballmer
Organization: Individual
Address:
Phone:
E-mail: ballmer@hawaii.edu
Submitted on: 2/15/2011

Comments:

travel/research grants from the Graduate Student Organization (GSO) is an important supplement to funding grads. Many students, including some of my co-workers, are dependent on these funds. Cutting down GSO grants will prohibit these students in the future to attend important international meetings such as the American Geophysical Union Fall Meetings 2011-20XX. This will impose important limit to the communication of achievements of the (geo)scientific community at Hawaii to the national international communities.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 12:34 AM
To: FINTestimony
Cc: silke7@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Silke Ballmer
Organization: Individual
Address:
Phone:
E-mail: silke7@hawaii.edu
Submitted on: 2/15/2011

Comments:

travel/research grants from the Graduate Student Organization (GSO) is an important supplement to funding grads. Many students, including myself, are dependent on these funds. Cutting down GSO grants will prohibit these students in the future to attend important international meetings such as the American Geophysical Union Fall Meetings 2011-20XX. This will impose important limit to the communication of achievements of the (geo)scientific community at Hawaii to the national international communities.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 12:03 AM
To: FINTestimony
Cc: garciarj@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Ron Garcia
Organization: Individual
Address:
Phone:
E-mail: garciarj@hawaii.edu
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 9:32 PM
To: FINTestimony
Cc: phoenix00831990@hotmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: Testimony.docx

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Nicholas VanDerMeer
Organization: Individual
Address:
Phone:
E-mail: phoenix00831990@hotmail.com
Submitted on: 2/14/2011

Comments:

My name is Nicholas L. VanDerMeer, and I am a student at Kauai Community College. I am opposed to the act repealing the funds from the student activity fees paid by me and my fellow students. I have already paid my due taxes to the state, so I do not also want my activity fees going to the state, and not to the campus-based activities that I had originally paid for.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 9:32 PM
To: FINTestimony
Cc: mmchau@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Marian Chau
Organization: Individual
Address:
Phone:
E-mail: mmchau@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 9:32 PM
To: FINTestimony
Cc: mattwinchell@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Matthew Winchell
Organization: Individual
Address:
Phone:
E-mail: mattwinchell@gmail.com
Submitted on: 2/14/2011

Comments:

As a graduate student at University of Hawai'i Manoa and a member of the Graduate Student Organization I'm deeply troubled by this proposed legislature. There is an overwhelming demand from graduate students to use the currently allocated funds for travel and research grants and the inability of graduate students to access these funds will have a detrimental effect on the development of outstanding graduate students at UH. To remain a competitive research University it is critical for students to have access to funds to assist them with research and travel to conferences and I strongly disagree with the bill in its current form.

HB79 Testimony

Patrick M. Patterson
Honolulu Community College
Associate Professor, CC, History

To the legislature,

I am a citizen of the State of Hawaii and a faculty member at Honolulu Community College. I am adamantly opposed to HB79. This is an irresponsible way to attempt to close the budget gap. In fact, it is just a shell game, and there are instances, including the UH Athletic Department Revolving Fund, in which State claiming of funds will do more than just "take back taxes" – it will take hard-earned citizen payments – in this case for season tickets – that those paying intended for the UH Athletic Department, and not for the State General Fund. This type of balancing of the books is not just, and in any business it would be only questionably legal at best.

Further, many of the so-called 'special funds' that this bill would remove funds from are not special in any way, save that they provide a specific budget for a necessary social service. Those funds must remain intact, or the net effect of HB79 will be nothing more than a subterfuge for shutting down those services.

The autonomy, accreditation, and effectiveness of the University of Hawaii system depends on many of these funds as well. Gutting them will have no effect except to further reduce the educational level of Hawaii's future generations, thus condemning them, and the state, to an interminable dependence upon the service sector in a time when that is one of the least dependable means of state support.

Passing this bill is short-sighted, irresponsible, and shows a lack of political will to solve problems in effective ways. Raise taxes – I will vote for legislators with such courage. Encourage industries other than tourism and film – I will vote for that, too. I don't mind paying my taxes. I do mind if our educational and social service infrastructure fall apart because of short-sighted, short-term financial fixes.

Sincerely,

Patrick M. Patterson

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:02 PM
To: FINTestimony
Cc: jiwnath@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jiwnath Ghimire
Organization: Individual
Address:
Phone:
E-mail: jiwnath@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony regarding HB79

To whom it may concern,

As a UH Manoa Student I pay student fees to the University of Hawaii every semester. I expect that these fees go to supporting student directed and based activities that are beneficial to the student body of UH Manoa and is central to making the university competitive with other universities in the United States. It would be very disappointing as a student, and as a voter in the state of Hawaii, if these funds were not used as they always have been, to enrich the college experience.

Sincerely,
Tara Hite

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, February 15, 2011 8:45 AM**To:** FINTestimony**Cc:** haunanihunt@yahoo.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Gayle Hunt
Organization: Individual
Address:
Phone:
E-mail: haunanihunt@yahoo.com
Submitted on: 2/15/2011

Comments:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts. Some 2009 one-year increases:

46% increase in the number of patients whose primary diagnosis is mental illness.
33% increase in dental services for the indigent.
26% increase in Medicaid patients and 7% increase in homeless patients.
If community health centers aren't supported they can't be:

The mainstay of the Medicaid provider network and the only place open to uninsured patients besides the ER.

The safety net for people with mental illnesses.

The provider of dental care for Medicaid patients and the uninsured.

The source of care in rural areas without other health care providers.

Economic need for supporting community health center capacity:

If community health centers lose capacity, the indigent patients they should be caring for will increase inappropriate use of ERs, delay care and end up in the hospital, or possibly causing harm to themselves or others due to mental illnesses left unaddressed.

Community health centers provide a extensive array of services that help patients with the socio-economic problems that exacerbate their illnesses. However, health centers use innovative and comprehensive care models that cost the health care system less money and improve health outcomes. A recent study showed that care provided by community health centers costs \$1,262 less per patient per year. Community health centers saved Hawaii's health care system \$160,000,000 in 2010.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 9:25 AM
To: FINTestimony
Cc: happyoblivious@yahoo.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Bryan Mih
Organization: Individual
Address:
Phone:
E-mail: happyoblivious@yahoo.com
Submitted on: 2/15/2011

Comments:

Please maintain funds as already allocated for the students. These funds help support student activities and are of great value to the university and the entire community. As a faculty member, I support the need for maintaining resources for the students.

Testimony opposing section 2 of House Bill 79

2/15/11

Aloha Auinala Kakou,

Chair, Vice Chair and members of the House Finance Committee.

My name is Kauila Clark, Chair elect for the National Association of Community Health Centers and vice Chair of the Waianae Coast Comprehensive Health Center, I oppose section 2 of this bill because it denies Health Centers funding which will hinder local funding to provide the ability for Hawai'i Health Centers to develop a patient centered Health Care Home that improves the patient experience, improves health outcomes and reduces per capita costs. In 2009 Health Centers served 125,000 patients. Community Health Centers saved Hawaii health care systems an estimated \$160,000,000.

Most of the patients served are from rural areas where there is large populations of Medically Underserved communities. The populations served are uninsured, under insured and Homeless populations. We are committed to community and are governed by consumer boards. So patients have a voice in how there are served and the processes that are used in serving them. As the first consumer member to lead the National Organization I strongly support the voice of consumers in the way they are served.

Thank you for the opportunity to provide testimony opposing section 2 of this House Bill 79.

Aloha Pumehana kakou,

Kauila Clark

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 11:23 AM
To: FINTestimony
Cc: fotsismith@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Deborah Smith
Organization: Individual
Address:
Phone:
E-mail: fotsismith@gmail.com
Submitted on: 2/15/2011

Comments:

I am writing to oppose Section 2 of HB 79 that would repeal the community health center's special fund. Please continue to fund health centers; they are the bedrock of health care for many Hawaiians. We need the funding to remain intact in order to serve those who need health care most. Mahalo, dsmith

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, February 15, 2011 11:54 AM

To: FINTestimony

Cc: liujuani@hawaii.edu

Attachments: Testimony of HB 79.docx (11 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Juanita C. Liu

Organization: Individual

Address:

Phone:

E-mail: liujuani@hawaii.edu

Submitted on: 2/15/2011

Comments:

As professor and interim dean at UH Mānoa, I am writing in opposition of HB 79, which would repeal all UH special and revolving funds as of June 30, 2012. Such an action would be devastating for UH Mānoa. Serving as a research 1 university requires the flexibility to generate and direct funding for specific purposes, from student-led activities to research programs. The loss of these funds endangers the ability of the University to meet obligations related to those funds, from bonds to buildings to student organizations, and virtually eliminates the opportunity for planning and prioritization by the institution. I am also greatly concerned about the tremendous hurdles that the passage of HB 79 would place on social services within the state designed to serve needy groups, such as crime victims, environmental and health agencies and libraries, etc. These are agencies that are already struggling with budget cuts and thus may not be able to withstand the crippling effects of this legislation.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, February 15, 2011 11:51 AM

To: FINTestimony

Cc: mruzicka@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Margaret Ruzicka

Organization: Individual

Address:

Phone:

E-mail: mruzicka@hawaii.edu

Submitted on: 2/15/2011

Comments:

We work hard to be good students. Please do not pass any bill that might compromise the quality of our education.

Testimony Presented to the
House Committee Finance

HB 79 – RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

Thank you for the opportunity to testify with respect to HB 79. My name is Christopher Dunn and I wish to express my strong opposition to a provision in HB 79 that would permit the transfer of the Special Funds of the University of Hawai'i to pay for central service expenses of the State government. Specifically, HB 79 states that "All special and revolving funds in existence as of June 30, 2010, shall be repealed on June 30, 2012."

Because such funds are generated by the University to meet University needs, appropriating them to finance the State's liabilities will result immediately in establishing the University of Hawai'i as a second or third tier university.

As director of the University of Hawai'i Lyon Arboretum, I will be forced to terminate programs that are of immense importance to the state and to terminate employees who deliver those programs to the community and to visitors.

Our mission is to provide outstanding environmental and cultural programming for the general public that reflects and respects the rich natural and cultural diversity of Hawai'i. To do so, we encourage people to visit and to participate in programs and events, and to use the knowledge they gain here. Everyone (the community, our staff, visitors, and volunteers) expects a safe environment and infrastructure.

Because we must acquire and maintain safety equipment, maintain our trails, trim hazardous trees, and make safety-related repairs to our facility with Special Funds, we could not guarantee public safety if such funds were retained for other State purposes. Elimination of general maintenance funding will lead to more unsafe buildings that will cost more to repair in the future. We would effectively have to close the Lyon Arboretum to the public and staff, a prospect that would be a great disservice to the community and the State.

With our Special Funds (which have already been drastically reduced, along with our General funds, during the past few years), we provide enormous benefits to the people of Hawai'i by:

- Maintaining a safe and enjoyable experience throughout our grounds for all visitors, guests, and staff
- Maintaining facilities and equipment in a manner that accommodates all people, with or without disabilities

- Providing approximately 15,000 instructional hours to 10,000 GK-12 students, delivering curriculum content, including STEM (science, technology, engineering and math) content aligned with National Science Standards as well as Hawai'i State Standards
- Serving public, private, charter and home schooled students
- Guaranteeing the survival and recovery of the rare native plants of Hawai'i. We have the only plant micropropagation facility in the entire State. 16,000 plants, of 160 of Hawaii's rarest plants would be lost. Some plants no longer occur in the wild. If we were forced to terminate our programs, the world would lose unique plants once and for all
- Restoring ancient lo'i on Arboretum grounds
- Maintaining a Hawaiian Native Garden
- Maintaining a Hawaiian Ethnobotanical Garden
- Erecting a Hawaiian hale for cultural and other events
- Supporting a staff that excels in education, Hawaiian culture, conservation, and horticulture
- Benefitting the local plant nursery industry (small businesses) by introducing new plant varieties for homeowners and landscape industry
- Encouraging homeowners and nurseries to use native and/or noninvasive exotic plant species in their landscapes.
- Providing educational programs regarding, and alternatives for, invasive plant species
- Organizing plant sales that provide a venue for local nurseries. Small business support.
- Protecting the Mānoa watershed by practicing sound environmental stewardship
- Serving as a source of valuable plant material for research used by students and researchers locally, nationally and internationally. Some plants in our collection are from countries that are not easily accessible to researchers because of political instability or environmental destruction

We are critically under-staffed and rely heavily on Special Funds to supplement G-funded staff. With General Funds (G-funds) alone, we could support only a skeleton staff. Our ability to provide services to the community is dependent on Special Funds. In fact, I would suggest that the Lyon Arboretum desperately needs considerably more funding (both G- and S-funds) not less, given the level at which we meaningfully impact our community and State via STEM-based education programming and unique and essential plant and cultural conservation programs.

With all due respect, I request that any provision that permits the transfer of the Special Funds of the University of Hawai'i be rescinded. Again, thank you for the opportunity to participate in the deliberative process and to express my views on this serious matter.

Me ke aloha,
 Christopher P. Dunn, PhD
 3860 Manoa Road
 Honolulu, HI 96822

To: Representative Oshiro, Chair
House Committee on Finance
From: Dr. Noreen Mokuau
Date: 2/14/11
Subject: Opposition to HB 79 , Relating to State Funds

Representative Oshiro and members of the House Committee on Finance. My name is Dr. Noreen Mokuau, I am the Dean of the Myron B. Thompson School of Social Work at the University of Hawaii at Manoa, and I am testifying today in opposition to HB 79, which establishes provisions for the automatic repeal of certain special and revolving funds and the transfer of balances from those funds to the state general fund.

This is a wide ranging bill that, if passed, will result in devastating effects to the entire community in many areas. As a social worker and the Dean of the MBT School of Social Work, I am very concerned about how the repealing of the all special and revolving funds will affect the level and quality of services provided in such areas as mental health, substance abuse, disabilities, domestic violence, early child intervention, and public housing. I trust, however, that service providers and consumers will provide testimony in relation to these specific issues that will sufficiently illustrate the depth of the impact that will result from the passage of HB 79.

Similarly, you will hear testimony from the administration of the University of Hawaii as to how passage of HB 79 will negatively affect the operation of the university at a system and campus level. I would like to offer information in relation to how the School of Social Work, as an individual unit at the Manoa campus will be affected.

First, the University of Hawaii special funds that would be affected by HB 79 provide individual academic units with the financial base that is necessary in order to do short and long term planning. If we did not have even a partial funding base that we could count on, future financial projections would be impossible and all planning would have to be tentative at best.

Relatedly, that partial funding base provides the school with the ability to make financial commitments for longer term projects. This, in turn, provides the ability for us to gain commitments for matching funding from the federal government and other sources. Without this kind of matching funding, we could not feasibly run such projects as our Distance Education Program, which extends professional social work training to the neighbor islands – crucial to meeting state workforce needs in underserved areas.

Some of the special funds that would be repealed through HB 79 also provide the means by which we run programs that have no other source of funding. This would include projects as the Hawaiian Learning Program – which supports Native Hawaiian students in the School of Social Work and provides specialized training for more effective intervention with Native Hawaiian populations and communities. This program would have to be terminated if HB 79 were to be passed into law.

Clearly, HB 79 does not serve the best interests of the University of Hawaii or the community as a whole. I therefore urge you to defeat this bill.

Personal Testimony Presented Before the
House Committee on Finance

February 15, 2011 at 3:00 p.m.
Conference Room 308

Written Testimony

By

Christine K. Sorensen
Dean, College of Education
University of Hawaii at Mānoa

HB 79: RELATING TO STATE FUNDS

Chair Oshiro, Vice Chair Lee, and members of the Committee:

As Dean of the University of Hawai'i at Mānoa's College of Education, I strongly oppose HB 79. This bill repeals essential funds used to meet major areas of needs – some of which impact the College of Education, and some of which impact other programs that are critical to teachers and to the general populace of Hawaii. My objection to this bill is based on my commitment to providing Hawaii's students with a quality education, as well as based on my sense of social and civic responsibility as a resident of Hawaii.

Repealing special funds to the University's College of Education, would effectively shut down important and progressive educational programs, including distance programs to the other Islands. Our statewide elementary education program, our post-baccalaureate programs in secondary and special education, our masters programs in middle level learning, rehabilitation counseling, educational technology, educational administration and more all rely on the use of special tuition funds in order to offer programs accessible across the state. These funds support our face-to-face and hybrid programs on islands other than Oahu and on the Leeward Coast as well as support our online and interactive video programs. Without the special funds, these programs will have to be shut down, depriving residents the opportunity to access education aimed at improving their own communities.

Without these funds, there would not be access to courses for people living on neighbor islands who are being prepared to become school administrators on those islands. These courses currently are necessary to become certified as DOE school administrators – something Hawaii's schools desperately need. Other activities within the College of Education that would be negatively impacted by this bill include technology development, research, and the Distance Course Design & Consulting group, which uses special funds to assist other University of Hawaii units to develop online courses and programs. Additionally, major funding to tuition assistance programs will be cut. Students who are already struggling to obtain an education to contribute to Hawaii will be effectively shut out of a chance for higher education. Depriving residents of access to the University – particularly those seeking to become Hawaii's future educators – is a disservice to generations of Hawaii's residents.

The direct human impact of this bill reaches beyond educational programs. This bill will cause students, teachers, and technical support employees to lose their jobs. More specifically, a minimum of three University lecturers and twenty-eight student employees will have their jobs eliminated. These positions support nearly all departments in the College of Education, including the Masters in Teaching program, Special Education program, and the Curriculum Studies program. This does not include the indirect impact of shutting down entire programs, and causing potentially huge additional job losses.

The carryover of special funds is also targeted by this bill. Without carryover funds, we are unable to guarantee that students will be able to complete their course of study. Students apply, enroll, and pay tuition at this University with the understanding that, once they begin a degree program, they will have the opportunity to complete that degree. Without carryover funds, there is no guarantee that any program will be sustainable. More alarming, UH would set a precedent that would discourage future students from beginning a course of study, for fear that their degree program may not be available two or three years after commencing their studies. The University's reputation and contribution to the local economy is tied directly to the students, and our promise to provide them with a quality education. Cutting the carryover of special funds will severely compromise our ability to do so.

In my role on the Hawaii Teacher Standards Board, I am also aware of their reliance on special funds in order to provide services to the teachers and to the education preparation programs of the state. The majority of the budget of the HTSB comes from special funds which are essential to provide licensing services to the state. Without an independent standards board, the task of licensing educators and overseeing the quality of education in Hawaii's schools will be jeopardized. An independent licensing board is crucial to maintaining objective and non-biased controls over teachers who directly influence Hawaiian children. Without the HTSB, the job of licensing and setting standards could fall to agencies without the ability, expertise, or impartiality to best provide Hawaii with quality teachers.

While this bill provides the opportunity to submit budgetary requests for funds to salvage the aforementioned programs, approval is not guaranteed, putting these initiatives at a huge risk. Many of these programs are logistically complex and rely on multi-year commitments in order to succeed. Extinguishing a program's ability to plan for future projects and accomplishments is, in itself, devastating to their success. This bill takes away the stability and long term objective potential of programs that allow UH Manoa and HTSB to reach all of Hawaii's residents, and improve the overall quality of education for all generations.

Thank you for the opportunity to testify.

Testimony Presented Before the
House Committee on Finance
February 15, 2011
by
Derek K. Mukai '89
Director, University of Hawaii Alumni Association

HB 79 – RELATING TO STATE FUNDS

Chair Oshiro and Members of the House Finance Committee:

This bill will really hurt our community and undermine Hawaii's future. I oppose the passage of HB 79 as it relates specifically to the repeal of any University of Hawaii special and revolving funds. I do not support taking revenues and fees that were collected for the purpose of financially supporting the University of Hawaii's programs and operations and transferring these monies to the State general fund. Repealing of these funds meant for public higher education and student success jeopardizes the University of Hawaii's ability to maintain autonomy. It is fiscally prudent to have special and revolving funds for the University of Hawaii in order to efficiently and effectively manage its business. Should HB 79 be enacted in its current form, areas such as the University of Hawaii's special programs, housing, financial assistance, private and community support through the Foundation, infrastructure maintenance and improvement; all critical to the University of Hawaii in providing a quality educational experience for Hawaii's students would be in jeopardy.

The goal for access to quality public higher education in the State of Hawaii should be to keep our best and brightest students right here in Hawaii. An investment in our own keiki is a critical investment in Hawaii's future. An investment in our University is an investment in Hawaii's future.

I am a PROUD alumni of this great University and grateful for the quality experience and education I received at the University of Hawaii. With two daughters in the in grade school, I want them to have the same opportunity I had.

I oppose the passage of this bill with any repeal of special and revolving funds to the University of Hawaii and its programs.

Mahalo for this opportunity to present my concerns on this bill.

Personal Testimony of
Susan Hippensteele
Chair, Manoa Faculty Senate

Presented Before the
House Committee on Finance
February 15, 2011, 3:00 p.m.

RE: **HB 79 - RELATING TO STATE FUNDS** which repeals, terminates, or closes certain revolving and trust funds and establishes provisions for automatic repeal of certain special and revolving funds beginning on 6/30/12.

Position: **Opposed**

Chair Oshiro, Vice Chair Lee, and Members of the Committee:

My name is Susan Hippensteele and I serve as Chair of the University of Hawai'i at Manoa Faculty Senate.

I am strongly opposed to HB 79 which would repeal special funds created to empower and fund state agencies that address a multitude of important public concerns including: historic preservation; acquisition and preservation of local art; reducing the health and safety impact of tobacco use; food security; public and environmental health and safety; emergency medical services; mental health and substance abuse; family violence; public housing assistance; beach restoration; maintenance of parks, forest and nature reserves; aquaculture development; water resource management; irrigation, dam and reservoir repair and maintenance; energy security; economic development including commercial fisheries, television and film, and high technology; teacher standards; and K-12 and higher education operations and student support.

Special funds allow state agencies the predictability and flexibility to meet operational demands. In many instances, special funds create incentives and opportunities for programs to generate additional revenue, thus reducing the need for expenditure of general funds and reducing overall cost to the State of providing public services.

Like our friends and neighbors, Manoa faculty recognize the economic realities our State is facing. We realize there may be certain special funds that have outlived their original intent and usefulness. But we also recognize that most remain in vital service to our communities.

Faculty concern for the impact of HB 79 on public higher education is significant. During the most recent budget cycle UH absorbed unprecedented reductions in State support for higher education at the same time our enrollments were increasing. Faculty have been expected to do more with less and we have tried to meet our expanding obligations to students and the State without compromising the quality of the teaching and research enterprise at Manoa. HB 79, and related attempts to transfer special funds to the general budget of the State, send the message that Manoa faculty, and the entire UH system, must now do more with nothing. Many of the special funds under threat provide the only revenue stream available to support critical needs of a research university.

Public higher education in Hawai'i is unlikely to survive another round of budget cuts as extreme as those we've absorbed since FY 2008-2009—whether in the form of swept special funds or reductions in general funds. The same is true for other state agencies and programs supported in whole or in part by the special funds threatened by HB 79.

Vital services to our communities, whether addressing the environment, public health, economic development, or education, must be maintained. It is your duty, and ours as the faculty of the only public research university in the State, to continue to serve the people of this State by meeting their needs through stable, sustainable, and effective fiscal practices. As educators we *must* be allowed to retain the tools to get the job done—to continue teaching and conducting research in all the critical areas that would be affected by passage of this bill.

Eliminating special funds (or reducing agency budgets by comparable amounts) will cause tremendous, perhaps irreparable, damage to public health and safety, the environment, K-12 and higher education, and overall quality of life in the State.

It is time to shift the conversation in a more useful direction: finding new revenue streams that will enable the State to provide the infrastructure, public and environmental safety, services, and opportunities the people of the State of Hawai'i need and deserve.

Thank you for the opportunity to submit testimony.

**Personal Testimony Presented Before the
House Committee on Finance**

Tuesday, February 15, 2011

3:00 P.M.

State Capitol, Conference Room 308

By

Peter E. Crouch

HB 79 – RELATING TO STATE FUNDS

Chairperson Marcus Oshiro, Vice Chair Marilyn Lee, and Members of the Committee on Finance

My name is Peter Crouch, Dean of the University of Hawaii at Manoa College of Engineering.

I appreciate the opportunity to provide personal testimony **in opposition of HB 79 which establishes provisions for the automatic repeal of certain special and revolving funds including those of the University of Hawaii and transfers balance to the State general funds.**

HB 79 proposes that in certain University of Hawaii special funds there is an excess of the requirements of the fund that may be transferred to the State General Fund. The College of Engineering will be extremely adversely affected by many of these restrictions. Let me concentrate on only four of the main impacts that will severely affect the Colleges operations and in many cases their direct impact on the Hawaii and its tax paying engineering and construction companies.

- Impact on research growth
- Impact on laboratory offerings for our undergraduate students (the future engineering work force of Hawaii)
- Impact on Tech Transfer in the University
- Impact on K-12 STEM Outreach

Impact on research growth: Research and Training Revolving Fund (RTRF) funds are returned to the College from the overhead on research grants it has won through state and national competitions. RTRF funding is the most important funding source to the College after the state investment. It is the mechanism by which the College gains flexibility to expand its activities not directly related to its teaching mission. One of the principal ways in which these funds are used is in building the College's research base by re-investment as seed funds in additional research projects and leveraging the existence of the great research units already on the UH Manoa campus, such as SOEST and IfA. When reinvested, RTRF funds bear more fruit in the form of income to the State and local high-tech jobs. If taken away, it robs the future of the College, University and the State.

RTRF is an economic multiplier. Reinvestment of research funds is critical. Short changing the Research and Training Revolving Fund would shortchange an important economic engine of the State and the growth of the College of Engineering.

Impact on laboratory offerings for our undergraduate students (the future engineering work force of Hawaii)(Tuition and Special Fees): The College has recently been able to secure

differential program fee for Engineering. It will receive its first funds from this fee this year. The College is upgrading the teaching facilities, teaching laboratory equipment and supplementing technician support for student activities with these funds. Holmes Hall, which is nearly 50 years old, has not enjoyed substantial remodeling and now needs extensive remodeling and equipment renewal. Thus, relative to most engineering schools on the mainland where engineering has enjoyed continued focused state investment, because of its economic impact in terms of its graduating students, most laboratory facilities in the engineering College are terribly out of date. The proposed raid on the University's special fund will set back all of the planning and hopes of the students for enhanced facilities and equipment and again put our graduating engineering students at a disadvantage compared to students at other engineering schools on the mainland.

Impact on Tech Transfer from the College: The economic future of the State depends upon being able to diversify its portfolio of revenue generating industries and companies in those industries. Almost certainly, clean, high tech industry has to be an integral component in this process. While the UH science ventures play an important component in this process, the College of Engineering is, and should be, one of the principal components of actually affecting tech transfer through both its undergraduate and graduate students, who stay on Island and work for local companies, and also for the contributions it makes with ideas and innovation that are shared with local companies through the University tech transfer office and more informal mechanisms.

Impact on K-12 STEM Outreach: The College is extremely invested in the process of assisting the state in its K-12 STEM outreach efforts, and particularly focused on helping teachers in the K-12 system become better equipped in all STEM fields but especially engineering. The flexibility to participate in these activities is almost entirely due to the RTRF funds it receives. These funds allow the College to make temporary hires of staff to work on these programs and fulfill associated programmatic obligations. Without these efforts, as national trends indicate, the state, which is already laggard in K-12 STEM education, will continue to leave its children without any opportunity to find high paying jobs in professions requiring STEM qualifications, including the engineering profession in the construction, engineering, high tech and dual use industries in Hawaii.

Once again I appreciate the opportunity to present testimony in opposition of HB 79 – specifically sections relating to the University of Hawaii. Mahalo for your consideration.

TO: Senate Ways and Means Committee

February 14, 2011

From: Teri L. Skillman, UH Manoa Library

RE: **Vote NO on HB 79**

Dear Representatives and Members of the Ways and Means Committee :

I am writing to request that you vote **NO** on HB79 which will repeal all UH Manoa special and revolving funds and transfer their balances to the state general fund.

The UH Manoa Library uses special and revolving funds extensively. Not only do salaries for APT positions come out of Special Funds, it is the only way that the UHM Library is able to support outreach activities for the Oahu community with programs that build ties and bridges to the University. The Library's Outreach programs are free and open to the public. As the Events and Communications Coordinator for the UHM Library, I have organized the following in the 2 ½ years that I have held the position:

- 2 film festivals,
- 18 gallery exhibits,
- the Grand Re-Opening of the flood renovated Ground floor,
- Hawaii Food Bank collection and fundraiser,
- participation in 3 consecutive Historic Preservation Days at the Capitol,
- International Education Week,
- United Nations week,
- 23 Faculty Lectures,
- 15 Special Lectures,
- Library Tours for Manoa Experience and Warrior Welcome Week,
- Open House for the UHM Library,
- 6 Webinars,
- Seminars,
- Receptions for donors who gift items to Special Library Collections,
- Star Gazing activities,
- Workshops, and
- Training sessions.

Without this position, there will not be any Outreach to the UHM campus or to the broader community. In order to build support with our community, it is crucial that the Library creates avenues for patrons to connect with us and our collections. We are the backbone of the research university and we rely on special and revolving funds to help support a myriad of positions and programs that benefit a broad and diverse community.

Please, vote **NO** on HB 79.

Sincerely,

Teri L. Skillman

Teri L. Skillman
Events & Communications Coordinator
UH Manoa Library
2550 McCarthy Mall
Honolulu, HI 96822

**Written Testimony AGAINST HB 79 by Peter Mouginis-Mark, 2212 Round Top
Drive, Honolulu, HI 96822**

Dear Senators:

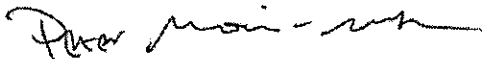
I urge you all to **VOTE "NO" for HB 79**. I believe that it will wreak widespread havoc within our community at a time when there is already great distress in trying to deal with numerous fiscal challenges. My feeling is that although it recommends shutting down several funds that the State auditor believes are no longer needed, it has the provision to shut down ALL special funds on June 30, 2012.

Removing all special and revolving funds will make it impossible for numerous activities that our community relies on to support our most at-need members. The list is long of organizations that would have significant problems maintaining services, including spouse and child abuse, public housing, mental health and substance abuse, and community services. All residents of Hawaii depend on the services supported by the funds to keep us safe, as well as protect our environment, including state parks, water resource management, beach repair and dam and reservoir safety. Why would you want to put these activities at risk, or even make more difficult for the hard working members of our community to protect Hawaii?

I am also deeply concerned about the impact that enactment of this bill would have on my own organization, the University of Hawaii. At a time when the State is turning more to UH to be the innovator for our economy, removal of the UH student tuition (seed money for us to train our next generation of residents and tax payers), UH capital improvements (replacing much of the old infrastructure on campus), Mauna Kea land management (affecting the use of the large telescopes), and in particular the RTRF funds (which support many innovative research ideas at their early stages of development) would cripple the University's abilities to sustain research and bring in new Federal funds. Loss of these revolving funds would be catastrophic for much that the University is doing to help our State and our economy.

I therefore urge you all to VOTE "NO" on HB 79.

Thank you,



Personal Testimony of Alan Grosenheider, Associate University Librarian

Regarding the impact of HB79 on the University of Hawaii at Manoa Library.

Paula T. Mochida, the University Librarian, would most assuredly want to present personal testimony as well except she has not yet returned from a meeting this weekend on the Big Island for the University of Hawaii Library Council which is the body responsible for planning of consortial purchases for the libraries and of the University of Hawaii system-wide library catalog, Voyager; both functions are funded in whole or part with special and revolving funds.

This proposal would repeal UH special and revolving funds and transfer their balances to the state general fund. Such an action would be devastating for UH-Manoa and particularly for the Library. The potential impact would have ripple effects across the campus and the entire UH System as well as into the communities it serves.

The Voyager catalog is supported by two Library faculty and five staff; of these, one faculty and two staff have their salaries covered by special funds. Likewise, the non-UH-Manoa portion of the server, hardware and software costs are covered by special funds. Equipment needs to be replaced on multi-year schedules and software needs to be regularly upgraded. The loss of these staff positions not to mention our inability to maintain the equipment would make it difficult if not impossible to continue to have a single, shared catalog for the UH System. Resources at the other campuses would have to be diverted from providing services or access to library resources and research materials to maintain their own individual databases.

Consortial purchases which rely upon the use of special funds would be impacted. Currently, UH-Manoa has been able to purchase on behalf of the entire faculty and student body of the UH System access to databases, electronic journal articles and electronic books by using pooled special funds. The other campuses might no longer be able to afford these subscriptions individually and indeed UH-Manoa would be hard pressed to cover the costs alone.

Fines and fees collected by the Library pay for staff and student assistants who provide service in Hamilton Library and Sinclair Library and its Student Success Center. Their services directly impacts the quality of UH-Manoa students' learning and of the faculty's research as well as outreach activities the Library does for the state [e.g. exhibits developed at UHM Library have toured local high schools].

Fines and fees also subsidize our Inter-Library Loan and our Document Delivery programs both of which provide access to library materials and research materials to which the Library does not otherwise provide access. Again, these programs directly impact the quality of UH-Manoa students' learning and of the faculty's research.

Special and revolving funds are used to provide for computing needs of the students in both Hamilton Library and Sinclair Library through a partnership with UH Information Technology Services. Equipment needs to be replaced on multi-year schedules and software needs to be regularly upgraded; and, lab monitors provide guidance and help for UH students. Not everyone student or their family can afford a personal computer; for many this is a crucial resource.

Any reduction in special and revolving funds or our inability to effectively and efficiently plan for their expenditure will have wide-ranging consequences. For example, it could entail the diversion of funds from library resources and research materials to support these services we have been able to pay for by generating special funds. Any reduction in library resources and research materials could have a negative impact upon the research enterprise of the University which could then result in a negative impact upon the ability of the University to be awarded grants. I am sure I do not have to tell you how significant the amount of federal money UH-Manoa brings into the State via grants is for the economy.

Please vote no on HB79; its passage would have negative consequences for the UH, its students, its communities and ultimately the State.

Mahalo nui loa for your consideration.

Opposition to HB 79

Barbara Yee's Personal Testimony(2-14-10)
Senate Ways and Means Committee HB 79
Tuesday, February 15, 2010, 3:00 p.m.

Dear Chair and Representative Marcus Oshiro, Vice Chair Representative Marily B. Lee, and Members of the House Finance Committee,

My name is Barbara Yee and I am a Professor and Chair, Family and Consumer Sciences with the University of Hawaii at Manoa's College of Tropical Agriculture and Human Resources (CTAHR). I would like to provide personal testimony in **OPPOSITION** to HB 79. This testimony does not represent the position of the University of Hawai'i or CTAHR.

As a former member of the Advisory Committee for Research on Women Health at the National Institutes of Health, and social behavioral scientist conducting research on health of families, and Asian and Pacific Islander families, I strongly oppose HB79. It will produce long term and negative consequences for the people of Hawaii, social service agencies and charities, and UH. This bill eliminates essential funding to support programs that help our most vulnerable citizens. It also denies investment in Hawai'i's human and social capital (future citizens of Hawai'i), and severely damages the research infrastructure and foundation for the innovation sectors of the Hawaii economy—a negative legacy that will last two or three generations.

First and foremost, it would damage the safety net for our most vulnerable citizens and the health of the general public, diminishing future potential of our citizens and damage our long term economic viability (domestic violence victims, matching federal funds for many programs, health and safety, mental health and substance abuse, water resources and safety, convention center enterprises, and early intervention and prevention services, and health promotion such as use of tobacco funds for cancer center, and smoking cessation).

Second and equally important, is this bill directly affects and eliminates UH student support such as for Native Hawaiian and low income student tuition support, alumni funds gifted to support UH and student government activities for active democratic engagement of our students. Without these dedicated special funds, low income and underserved students will not be able to complete their education. Sweeping the tuition fund indicates that this State is not willing to invest in our future. This action will hinder the future potential of the brightest in Hawaii who have little resources to pursue a college education anywhere. Such a waste of intellectual capital!

Third, with elimination of special funds such as UH capital improvement, Mauna Kea Lands management, or RTRF will directly lower our already low Indirect Cost rate that UH has been able to negotiate. Research expenditures must be made in capital improvements, facilities, equipment, and staff in prior years in order to generate a sufficient federal indirect rate. As important, sweeping RTRF will give short term benefits to Hawaii, but reap long term negative multiplier effects throughout the

economy for decades. The indirect Cost rate for UHM is probably the lowest of any Research Intensive University in the U.S. and in the context of the highest cost of living and doing research, is extremely problematic. For example, UHM has to bring in almost one and a half times as many research grant dollars to generate an equivalent amount of indirect dollars (UHM rate of 36.7% versus 58%+) as they would have at other universities. This leads to a vicious downward spiral of diminishing resources to provide the infrastructure for innovation, lead to an absence of diversification toward clean sector economies, and bleak economic outlook for our children and our state.

Moreover, the use of these special funds for any expenditures other than research or educational support is regarded as improper billing in grant audits, and is a direct violation of federal guidelines (GAO, Sept. 8, 2010; <http://www.gao.gov/highlights/d10937high.pdf>).

This bill would have a chilling effect on innovation and research enterprises in Hawai'i and across the Pacific. This policy will hinder current and future research enterprises which may make Hawaii an energy sustainable state, or cure cancer and other diseases that produce negative health outcomes for Native Hawaiians, and people in Hawaii or across the Pacific Islands. This bill would impose great reluctance and a wide sweeping moratorium on allocation of funds by the federal government, venture capitalists, or companies who might consider investing research dollars in Hawaii. These negative outcomes would be a direct result the proposed state policy that diverts the use of these special funds from innovative research infrastructure and investment in our human capital generated by grants, student fees, to what is defined by the GAO as an inappropriate expenditure. HB 79 will increase the reluctance of investment in Hawaii universities, state organizations and non-profits because the state will be viewed as unreliable in its use of funds to support dedicated purposes and diverted away from its intended purpose. This detrimental bill would send an international message to NIH, companies, and venture capitalists (significant part of Hawai'i's economy) that this important research and educational project should not be done in Hawaii.

Thank you for the opportunity to provide testimony in OPPOSITION to passage of this bill.

Barbara Yee
Dragonboomber@aol.com
4460 Puu Panini Ave.
Honolulu, HI 96816

Honorable Legislators;

I am writing to strongly oppose HB 79 that proposes that all revolving funds be transferred to the State budget at the end of the year. I am the Director of the Institute for Biogenesis Research (IBR) at the John A. Burns School of Medicine in the University of Hawaii at Manoa. The IBR is also known as the "Cloning Lab" that was established in September of 2000 to honor and continue the legacy of Dr. Ryuzo Yanagimachi, one of Hawaii's most famous biomedical researchers. We have struggled against state and federal budget cuts, against the loss of promised, but unfilled positions and against growing difficulty in competing for federal research grants. Despite all these difficulties, we have established a reproductive biology research institute that is recognized world wide for its excellence in research. We have brought in more than \$30,000,000 in research dollars, most of which when directly to benefit Hawaii's economy because the large majority of these funds provide jobs and the university with indirect costs to help pay for the research.

One of the reasons we have been able to survive is that our federal research dollars help account for RTRF funds that the legislature provides to the university. This are the only type of funding we have that we can earn through our own work that allows us to survive the lean periods in funding. RTRF funds directly contributed to the IBR's successful application of a \$10,000,000 center grant that we received in 2008 to support the research. Had we not been able to request RTRF for the lean periods that occurred just before our application, we would not have been successful, and the State of Hawaii would have lost one of its premiere research institutions, and several million dollars in federal research dollars that contribute to its overall economy. Many premiere research institutes at UHM have similar stories.

If RTRF accounts are cleaned every year, we will have no ability to plan for the near future. The State of Hawaii would put its premiere research institutions at risk by taking away their only ability to save money for difficult times. High level research simply cannot be conducted without this safety net, and Hawaii will end up losing millions of dollars for having taken it away.

I beg this committee to reconsider this move. This one stroke of the pen by the legislature will undo years of work that research faculty at UH have dedicated to build a better Hawaii.

W. Steven Ward, Ph.D.
Professor and Director
Institute for Biogenesis Research (IBR)
Dept. of Anat., Biochem., & Phys.
John A. Burns School of Medicine
University of Hawaii at Manoa

Testimony Presented Before the
House Committee on Finance
February 15, 2011
by
Diane Y Kodama '91

HB 79 – RELATING TO STATE FUNDS

Chair Oshiro and Members of the House Finance Committee:

This bill will hurt our community and undermine Hawaii's future. I oppose the passage of HB 79 as it relates specifically to the repeal of any University of Hawaii special and revolving funds. I do not support taking revenues and fees that were collected for the purpose of financially supporting the University of Hawaii's programs and operations and transferring these monies to the State general fund. Repealing of these funds meant for public higher education and student success jeopardizes the University of Hawaii's ability to maintain autonomy. It is fiscally prudent to have special and revolving funds for the University of Hawaii in order to efficiently and effectively manage its business. Should HB 79 be enacted in its current form, areas such as the University of Hawaii's special programs, housing, financial assistance, private and community support through the Foundation, infrastructure maintenance and improvement; all critical to the University of Hawaii in providing a quality educational experience for Hawaii's students would be in jeopardy.

The goal for access to quality public higher education in the State of Hawaii should be to keep our best and brightest students right here in Hawaii. An investment in our own keiki is a critical investment in Hawaii's future. An investment in our University is an investment in Hawaii's future.

I am a proud alumni of this great University and are grateful for the quality experience and education we received at the University of Hawaii.

I oppose the passage of this bill with any repeal of special and revolving funds to the University of Hawaii and its programs.

Date: 02.14.2011

To: The State of Hawai'i Senate Ways and Means Committee

Re: HB 79 RELATING TO STATE FUNDS

From: Siobhán Ní Dhonacha

Dear House Representatives,

First of all, thank you for reading my testimony. I learned of HB 79 Relating To State Funds just today, the day before it is to be heard. I am unclear why there was no prior notice given of this very ground shaking bill. I am a student at the University of Hawai'i and would be directly affected by this extremely ill conceived proposed legislation.

I am 100% opposed to this bill and very concerned about it passing and being implemented. It simply does not make sound fiscal sense and its inception and rationale seem very unclear and undeclared. However, its effect seems to be clear, devastating so many services in Hawai'i, and so profoundly, that we will all be reeling years later. Please do not enact this bill nor pursue any other even remotely like it.

I oppose HB 79 Relating To State Funds as, in essence, it would:

“...repeal all special and revolving funds for: probation services, spouse and child abuse intervention, oversight of charities, job training in critical industries, public housing revolving fund, crime victim compensation fund, pharmacy assistance program, Rx special fund, asbestos and lead abatement, noise, radiation and indoor air quality, small business assistance, clean air, mental health and substance abuse, tobacco settlement, neurotrauma (matching for federal), birth defects, early intervention, emergency medical services, comprehensive state trauma system (federal match), domestic violence and sexual assault, library special fund, UH athletics, UH alumni, UH student activities, UH student tuition, UH capital improvements, Mauna Kea lands management, RTRF, Natural Areas Fund, community health centers, animal quarantine, irrigation repair, beach repair, water resource management, dam and reservoir safety, commercial fisheries, state parks, energy security, convention center enterprise (and so on and on). The funds would be merged with the general fund. It is completely unclear how the critical needs covered by many of the special funds would be met in the future.”

To Whom It May Concern:

My name is Jonathan Fung, and I am an undergraduate at the University of Hawaii at Manoa, and am a resident of Hawaii.

HB 79, if passed, would be devastating for student-led activities in the future, as well as for the University as a whole. It would take away key opportunities for students like myself to apply for partial tuition awards, research grants, graduate test prep awards, or funding for student organizations. I will not be a student at the university when the funds repeal would become effective on June 30, 2012. However, I understand firsthand, the importance of these funds to helping to prepare students for their careers.

After the embarrassing Furlough Friday debacle, national media stands poised to put the spotlight on Hawaii cutting education funding again, further humiliating our state. Please use your judgment and support the students and future leaders of Hawaii by voting against this bill.

Sincerely,
Jonathan Fung
Undergraduate
University of Hawaii at Manoa

To Whom It May Concern:

My name is Michele Van Natta. I am a senior at the University of Hawaii at Manoa and I oppose House Bill 79. I am aware of the fact that the state needs to cut its expenditures, but the fact that the legislature has chosen to target education and human services is unacceptable. Cutting contracts for important human service was a horrible decision and the state needs to stop. The enrolment in the UH system is going up, not down. Hopefully, those students now attending community colleges will choose to continue on to one of the state's three four-year universities, instead of leaving the state for better universities or ending their formal education. In order to accommodate this growth, the University needs to have the flexibility to modify course offerings. In addition, the University needs to be able to offer the full college experience, which includes student organizations. These organizations offer opportunities and experience that cannot be offered strictly within a classroom setting. Education is the primary goal of the University, but not all of that education comes solely from the classroom.

I am asking not only that the legislature oppose House Bill 79, but also that the state find other methods of curbing state expenditure. This method of cutting funding to education and human services is not any better than furlough days in public schools.

Sincerely,
Michele Van Natta
vannatta@hawaii.edu

14 February 2011

**PERSONAL TESTIMONY IN STRONG OPPOSITION TO HB 79:
Relating to State Funds**

**TO BE HEARD BY THE HOUSE FINANCE COMMITTEE
ON 2/15/11 AT 3:00 PM AT CONFERENCE ROOM 308.**

Aloha mai e Chair Marcus R. Oshiro, Vice Chair Marilyn B. Lee, and members of the House Finance Committee. I thank you for this opportunity to provide my personal testimony in strong opposition to House Bill 79.

My name is Maya Kawailanaokeawaiki Saffery. I am a faculty specialist at Kawaihuelani Center for Hawaiian Language at the University of Hawai'i at Mānoa. However, today, I present personal testimony as a concerned individual.

I strongly oppose HB 79 because, if passed, it would devastate UH operations, as well as operations of other agencies providing vital services in our community that we cannot afford to do without. In terms of impact on the University of Hawai'i, its ten campuses and their many units depend greatly on special and revolving funds to not only maintain their daily operations but also to develop, implement, and disseminate programs, resources, and services that support advancements in effective instruction, groundbreaking research, and valuable community outreach. As stated in the larger mission of the UH System, "The teaching, research, and service provided by these institutions will prepare the liberally educated and highly skilled workforce essential for the future economic success, health, and well-being of this island state as it participates in a global society"¹, however, this bill will limit the ability of the academy to achieve this mission by removing the funding that supports and sustains its fundamental programs, resources, and services. Furthermore, much of this kind of funding is generated and secured by the faculty, staff, and students of the university itself, such as student tuition monies and RTRF funds. To think that the monies generated and brought into Hawai'i and the university would be taken away from those who worked so hard to secure it so that they can continue to make important contributions to our local and global community is ludicrous.

I am keenly aware of the tremendous concern about this bill within the UH community as well as throughout broader Hawai'i community. If all special and revolving funds were to be repealed and their balances transferred to the state general fund, as laid out in this bill, it is completely unclear how the critical needs covered by many of these funds would be met in the future. It is our fear that many of these services and programs will either be drastically crippled or entirely eliminated as a result, thus negatively impacting the health, safety, education, economy, and environment of Hawai'i and its residents. For all these reasons, I strongly urge you to oppose House Bill 79.

¹ From the 2002-2010 University of Hawai'i System Strategic Plan that can be accessed at: <http://www.hawaii.edu/ovppp/stratplan/UHstratplan.pdf>

Re: HB 79

Kati Corlew
2637 Kuilei St., A51
Honolulu, HI 96826
corlew@hawaii.edu

To Whom It May Concern,

I am writing to say that I strongly OPPOSE HB79. As a current student and future professional in Hawai'i, I see that HB79 will have a negative impact on my current student life as well as my future professional life as a Community Psychologist. The many diverse services that will be interrupted due to the funding cuts proposed will cripple the lifeblood of the community by placing an unnecessary strain on many people giving and receiving services across many sectors. This Bill will be harmful to our community.

I strongly oppose HB79.

Mahalo for your time.

Kati Corlew

I, Rommel Vargas, oppose bill HB79 because it does not benefit University of Hawai'i students in any way. Funding for additionally classes and activities are necessary for students and this bill will hinder us from bettering our education.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, February 15, 2011 11:02 AM

To: FINTestimony

Cc: sc2@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Sabahattin Comertpay

Organization: Individual

Address:

Phone:

E-mail: sc2@hawaii.edu

Submitted on: 2/15/2011

Comments:

Testimony in Opposition to HB 79
Relating to State Funds

Committee on Finance
Marcus R. Oshiro, Chair
Marilyn B. Lee, Vice Chair

February 15, 2011
3:00 p.m.
State Capitol, Conference Room 308

Submitted by Victim/Witness Coordinator Phyllis Shinno

Representatives Oshiro, Lee, and Members of the Committee:

The Victim Assistance Program of the Hawai'i County Prosecutor's Office has been in existence for more than 30 years. During that time, we have helped thousands of crime victims with support, information and referrals. One very important referral is to the Crime Victim Compensation Commission. They have helped to reduce the helplessness and anxiety associated with being a victim of violent crime by paying for out of pocket medical bills, a portion of funeral expenses, lost wages, and other expenses related to the victimization.

The Commission has made major efforts to wean themselves from legislative handouts. The legislature helped by passing a bill to implement a special fund, funded by defendants instead of taxpayers, to ensure that the Commission kept their doors open for current and future crime victims. HB 79 seeks to take away that critical source of funding for reasons that are unclear.

Please help victims of violence recover from physical and emotional trauma and the additional burden of expenses caused by the crime by voting against passage of HB 79.

Testimony in Opposition to HB 79
Relating to State Funds

Committee on Finance
Marcus R. Oshiro, Chair
Marilyn B. Lee, Vice Chair

February 15, 2011
3:00 p.m.
State Capitol, Conference Room 308

Submitted by Victim/Witness Counselor Jane Huntington

Representatives Oshiro, Lee, and Members of the Committee:

I am a victim counselor for the Office of the Prosecutor of Hawaii County and I oppose anything that would limit the help that Crime Victim Compensation Commission can offer to victims of crime.

CVCC has been a source of restitution for a most vulnerable population at a time when they have been devastated by violence and have had severe financial consequences as a result. A woman who has been raped and assaulted may not be able to return to work until her injuries are healed and may not work a job that offers sick leave. Through reimbursement for her lost wages, CVCC can help her avoid further victimization. CVCC helps many of my victims with medical bills and financial assistance for therapy so they can return to being fully productive members of society. In a place and time of extremely limited resources for victims of violent crimes, it would be extremely misguided to take one of the few things that provide a great services to the public.

Testimony in Opposition to HB 79
Relating to State Funds

Committee on Finance
Marcus R. Oshiro, Chair
Marilyn B. Lee, Vice Chair

February 15, 2011
3:00 p.m.
State Capitol, Conference Room 308

Submitted by
Edythe M. Maeda, Victim/Witness Counselor

Representatives Oshiro, Lee, and Members of the Committee:

I and the victims I serve are strenuously opposed to House Bill 79. The Crime Victim Compensation Commission (CVCC) has helped hundreds of victims whom I have assisted during the 24 years as a Victim/Witness Counselor with the Prosecutor's Office for the County of Hawaii.

Crime is indiscriminate and affects all people in our community. No one expects to be a victim of a crime. No one puts aside money in anticipation of being a crime victim to pay medical bills incurred for treatment of their injuries, to make up for lost earnings when they cannot work to pay their mortgage and utilities, or to pay for a loved one's funeral expenses who has died at the hands of another.

The CVCC has taken away some of the stress and anguish for innumerable families by reimbursing victims for some of their losses. It may not be a lot but when you've been a victim, through no fault of your own, these unexpected expenses become a huge part of the stress that one suffers. Victims are often so overwhelmed by the financial burdens, the loss of ability to perform simple day-to-day functions or the simple injustice of it all. What CVCC has done to help is synonymous to a ray of sunshine on a cloudy day. Yes the financial assistance is incredible important but equally so is the knowledge that the victim is believed.

So many of my clientele has expressed their gratitude to the CVCC. Their appreciation, gratitude and esteem are evident in their voices. I don't know of any other state agency whose services are as healing as the CVCC.

Doing away with the CVCC would truly be an injustice to everyone in the State of Hawaii and its visitors because as I've stated previously, violence and crime is indiscriminate. I hope you consider the immense affect that this bill will have on everyone. Thank you for your attention to my input.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 11:40 AM
To: FINTestimony
Cc: ratnesh@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Ratnesh Singh
Organization: Individual
Address:
Phone:
E-mail: ratnesh@hawaii.edu
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 10:21 AM
To: FINTestimony
Cc: dchr304@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: David Christopher
Organization: Individual
Address:
Phone:
E-mail: dchr304@gmail.com
Submitted on: 2/15/2011

Comments:

I oppose this bill because it takes revolving funds, which are derived from indirect costs on the grants that I am awarded, and moves them to the state fund. I use the revolving funds to support undergraduate research. We also use them to support the research programs of new faculty and graduate students to get them started (as in "seed" fund). I work hard to compete for grants in my scientific field, and these grants help support the revolving funds. They should remain with the University.

Thank you,
Prof. David Christopher

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 9:46 AM
To: FINTestimony
Cc: btamasoa@waikikihc.org
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: HB79.doc

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Brandi Tamasoa
Organization: Waikiki Health Center
Address:
Phone:
E-mail: btamasoa@waikikihc.org
Submitted on: 2/15/2011

Comments:

Dear Legislatures:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts. Some 2009 one-year increases:

- 46% increase in the number of patients whose primary diagnosis is mental illness.
- 33% increase in dental services for the indigent.
- 26% increase in Medicaid patients and 7% increase in homeless patients.

If community health centers aren't supported they can't be:

- The mainstay of the Medicaid provider network and the only place open to uninsured patients besides the ER.
- The safety net for people with mental illnesses.
- The provider of dental care for Medicaid patients and the uninsured.
- The source of care in rural areas without other health care providers.

Economic need for supporting community health center capacity:

- If community health centers lose capacity, the **indigent patients they should be caring for will increase inappropriate use of ERs**, delay care and end up in the hospital, or possibly causing harm to themselves or others due to mental illnesses left unaddressed.
- Community health centers provide a extensive array of services that help patients with the socio-economic problems that exacerbate their illnesses. However, health centers use innovative and comprehensive care models that cost the health care system less money and improve health outcomes. A recent study showed that care provided by community health centers costs \$1,262 less per patient per year. **Community health centers saved Hawaii's health care system \$160,000,000 in 2010.**

TO: Representative Marcus Oshiro, Chair
Representative Marilyn Lee, Vice Chair
House Committee on Finance

FROM: Sara L. Collins, Ph.D., Legislative Chair
Society for Hawaiian Archaeology
sara.l.collins.sha@gmail.com

HEARING: February 15, 2011, 3:00 PM, Conference Room 308
SUBJECT: Testimony in OPPOSITION to HB 79 (Relating to State Funds)

I am Dr. Sara Collins, Chair of the Legislative Committee of the Society for Hawaiian Archaeology (SHA). We have over 150 members that include professional archaeologists and advocates of historic preservation in general. On behalf of SHA, I am providing testimony in OPPOSITION to HB 79, Relating to State Funds. HB 79 proposes to repeal certain special funds identified by the legislative auditor and to transfer the balances to the state's general fund. In addition, it proposes to impose an automatic repeal by June 30, 2012 of all special and revolving funds in existence as of June 30, 2010. One of the funds that would be affected by the automatic repeal is the Hawaii Historic Preservation Special Fund ("Special Fund") established by HRS § 6E-16. There is good reason to believe that the repeal of the Special Fund and transfer of its moneys to the General Fund is illegal, as detailed below.

Among the funds now deposited into this Special Fund are "All proceeds collected by the department [i.e., the Department of Land and Natural Resources, hereinafter "Department"] derived from historic preservation user fees, historic preservation leases or concession fees, fees charged to carry out the purposes of this chapter, or the sale of goods[.]" § 6E-16(a)(3), H.R.S. (emphasis added). The Department is authorized to expend moneys from this Special Fund for several purposes, among them "[t]o cover administrative and operational costs of the historic preservation program." § 6E-16(b)(5). Finally, the Department is directed to "adopt rules in accordance with chapter 91 for the purposes of this section." § 6E-16(c)

We believe that if the Special Fund is repealed, as Section 2 of HB 79, there will be immediate negative consequences:

- The elimination of this Special Fund would NOT provide any benefit to the General Fund and would in fact impose additional expenses on the General Fund by eliminating the authority the Department of Land and Natural Resources now has to impose user fees to defray the costs of the historic preservation review program, costs that would otherwise be borne by the General Fund.
- Given the state's current fiscal problems, it is highly unlikely that the State Historic Preservation Division (SHPD) would receive sufficient moneys from the General Fund to off-set the costs of mandated activities currently or potentially supported through the Special Fund.

Finally, as noted above, we believe that the legal basis of this proposed transfer of fees generated by the Department's Historic Preservation Program is questionable given a recent Hawai'i Supreme Court decision. Our argument is as follows:

- The elimination of the Hawaii Historic Preservation Special Fund, through the proposed repeal of § 6E-16, and the consequent transfer of all funds now deposited in this Special Fund into the General Fund, would convert the "fees" now imposed on permit applicants

into an unconstitutional "tax" as these terms were interpreted by the Hawai'i Supreme Court in *Hawaii Insurers Council v. Lingle*, 120 Hawaii 51, 201 P.3d 564 (Hawai'i 2008), thus depriving the Department of the ability it now has to impose fees that at least partially compensate the State and its taxpayers for the costs of the historic preservation program established in Chapter 6E, H.R.S.

- Section 6E-3, H.R.S., directs the Department to develop "a division to administer a comprehensive historic preservation program, which shall include but not be limited to the following: (15) The charging of fees to at least partially defray the costs of administering sections 6E-3(13), 6E-8, and 6E-42 of this chapter" (emphasis added). Under this authority, the Department has promulgated administrative rules imposing fees on archaeologists undertaking archaeological excavations within the State of Hawaii. HAR §13-282-4. This authority also empowers the Department to impose fees for the processing and review of archaeological reports and plans for the purpose of defraying the expense of the historic preservation review process. The implementing regulations at Hawaii Administrative Rules (HAR)13-275-4 (for §6E-8) and HAR 13-284 (for §6E-42) include fee schedules for the review of these documents and others, such as burial treatment plans.

In view of the above points, we respectfully ask you that you hold HB 79 and do not pass it any further. Thank you for considering our comments. Should you have any questions, please feel free to contact me at the above email address.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 9:07 AM
To: FINTestimony
Cc: r.kiana@gmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: HB79.doc

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Kiana
Organization: Waikiki Health Center
Address:
Phone:
E-mail: r.kiana@gmail.com
Submitted on: 2/15/2011

Comments:

"The United States will become a place where new HIV infections are rare and when they do occur, every person, regardless of age, gender, race/ethnicity, sexual orientation, gender identity or socio-economic circumstance, will have unfettered access to high quality, life-extending care, free from stigma and discrimination"--National HIV/AIDS Strategy. This mission seems clearly impossible without funds supporting community health centers who make it a priority to fulfill our President's mission.

Dear Legislatures:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts. Some 2009 one-year increases:

- 46% increase in the number of patients whose primary diagnosis is mental illness.
- 33% increase in dental services for the indigent.
- 26% increase in Medicaid patients and 7% increase in homeless patients.

If community health centers aren't supported they can't be:

- The mainstay of the Medicaid provider network and the only place open to uninsured patients besides the ER.
- The safety net for people with mental illnesses.
- The provider of dental care for Medicaid patients and the uninsured.
- The source of care in rural areas without other health care providers.

Economic need for supporting community health center capacity:

- If community health centers lose capacity, the **indigent patients they should be caring for will increase inappropriate use of ERs**, delay care and end up in the hospital, or possibly causing harm to themselves or others due to mental illnesses left unaddressed.
- Community health centers provide a extensive array of services that help patients with the socio-economic problems that exacerbate their illnesses. However, health centers use innovative and comprehensive care models that cost the health care system less money and improve health outcomes. A recent study showed that care provided by community health centers costs \$1,262 less per patient per year. **Community health centers saved Hawaii's health care system \$160,000,000 in 2010.**

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 10:06 AM
fo: FINTestimony
Cc: lbrown070@hotmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lindsay Brown
Organization: Individual
Address:
Phone:
E-mail: lbrown070@hotmail.com
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 9:33 AM
To: FINTestimony
Cc: mjh24@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Michelle Heinecke
Organization: Individual
Address:
Phone:
E-mail: mjh24@hawaii.edu
Submitted on: 2/15/2011

Comments:

Student fees are paid to fund university related activities and services, NOT to fix budget problems present in the state. This is ridiculous. How about you pay the school to receive student intern services, then we arrange for you to also pay for foreign exchange students and you get no intern students. Does that make sense? No.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 10:50 AM
To: FINTestimony
Cc: dickd@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Richard Dubanoski
Organization:
Address:
Phone:
E-mail: dickd@hawaii.edu
Submitted on: 2/15/2011

Comments:

I am opposed to HB 79 that will repeal all University of Hawaii special and revolving funds and transfer the balances to the State general fund. As a nationally recognized top research university, we need the opportunity to generate funds and the flexibility to allocate them for variety of purposes. This bill will, in essence, be a disincentive to faculty seeking extramural funding and hamper the effective and efficient use of these funds. I respectfully ask that you vote against HB 79. Thank you for your consideration.

Aloha,

Richard Dubanoski, Dean
College of Social Sciences
University of Hawaii at Manoa

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 10:49 AM
To: FINTestimony
Cc: khiguchi@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Kyle Higuchi
Organization: Individual
Address:
Phone:
E-mail: khiguchi@hawaii.edu
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 10:42 AM
To: FINTestimony
Cc: zacharyb@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Zachary L. Bergeron M.S.
Organization: Individual
Address:
Phone:
E-mail: zacharyb@hawaii.edu
Submitted on: 2/15/2011

Comments:

This is an atrocity! This is a day and age when we should be INVESTING in infrastructure (INCLUDING EDUCATION AT ALL LEVELS) to keep pace in a competitive world market. Instead we are stealing from these necessities to build a train from nowhere to nowhere! Balance the budget with funds from that snow-job!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 10:44 AM
To: FINTestimony
Cc: cappulet@hotmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Nick Glory
Organization: Individual
Address:
Phone:
E-mail: cappulet@hotmail.com
Submitted on: 2/15/2011

Comments:

Dear Sir/Maam

Please seriously and strongly oppose the bill HB79. It is a short-sighted and rushed attempt to snatch money from the state's best investment, the University of Hawai'i. Allowing this bill to pass will be like snatching the rug out from under your own feet for the two important following reasons:

1. For every dollar the state spends on UH, it leverages at least an additional \$5.34 of spending in the state.
2. Taking the students at this institutions *own* money and not giving them anything back for it (regardless of future promises) will encourage more students to drop out and many less to attend in the first place reducing the revenue returned to the state.

If you are not compelled by the thought of lost future revenues directly from the students at UH then please consider how dissuading the current generation of high school and college students from continuing or attending higher education will impact the future of Hawai'i.

There has been much effort from inside and out to build this every improving system of community colleges, college and university that educate the population of Hawai'i; thus attracting investments that can diversify, strengthen and stabilize the state economy well into the future.

Do you really want to hamstring this progress by putting another roadblock on the path to higher education at the University of Hawai'i?

Please oppose HB79.

Sincerely

A handwritten signature in black ink, appearing to read 'Philip Davy', written in a cursive style.

Philip Davy

(Current graduate student at the University of Hawai'i at Manoa and Graduate Student Organization Representative)

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 11:51 AM
To: FINTestimony
Cc: dgwhite@kauai.gov
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Diana Gausepohl-White
Organization:
Address:
Phone:
E-mail: dgwhite@kauai.gov
Submitted on: 2/15/2011

Comments:

Our office has worked with hundreds of crime victims who have received assistance from the Crime Victim Compensation Commission (CVCC). Many victims who are harmed are left with mounting medical bills and loss of income. CVCC is the payor of last resort and is an essential resource for victims in their road to recovery.

Darsha Lee
Student at the University of Hawaii at Manoa
1825 East-West Road
Honolulu, HI 96822

Testimony
IN OPPOSITION OF HB79
RELATING TO STATE FUNDS
Before the Committee on Finance
15 February 2011

To: Representative Marcus R. Oshiro
Chair, Committee on Finance

This testimony is in opposition to HB79. I am opposed to this bill for the following reasons:

- 1) It contains provisions that negatively impact Hawaii's communities; specifically, I will be discussing the negative impact on the student population of the University of Hawaii at Manoa.
- 2) It contains the same inept research that was used in the recent SB120; furthermore, this bill establishes a flaw in certain funds and then uses a logical fallacy to expand this to all special and revolving funds.

This testimony also advocates for the following amendments:

- 1) The expansion of this bill to cover all special and revolving funds is based on inexpert research and application of logical fallacy. Therefore, the section entitled **Special and Revolving funds; automatic repeal** shall be eliminated.
- 2) Introduction of faulty legislation is a serious concern; ultimately introduction of poorly researched bills detracts from time that could be spent on worthwhile proposals. Therefore, an amendment shall be made entitled **Penalty for introduction of explicitly inept research**, a section that will address this grave concern. Since this bill is in relation to state funds, the penalty involved shall be monetary in nature and shall be directed to alleviating the Hawaii state projected deficit.

OPPOSING TESTIMONY:

- 1) **Negative Impact on UH.** Implementation of HB79 would suspend the UH special and revolving fund, a fund largely financed by UH student fees. The past years have been brutal on the University of Hawaii. With millions of dollars in State initiated-budget cuts, I have seen lecturers axed and class sizes that are ridiculously crowded to the point of being detrimental to comprehensive learning. At the same time I have experienced a simultaneous increase in tuition. Now, once again, you, our representatives, are sending the message that you do not care about higher education in Hawaii. The fund that you are proposing to suspend next year is:

- A) used to support student-led learning opportunities such as Ka Leo and KTUH,
- B) used to allow disadvantaged students to attend the university, and
- C) is used to allow UH to remain a Research 1 institution
(doctoral/research universities-extensive).

A) These student organizations function to keep our fractured student body connected and offer opportunities for students to exercise our right to free speech in a safe and supportive environment. Dissolution of funding for these student-initiated organizations would be sending the message that state representatives do not support the

B) Monies for disadvantaged students creates a diversified population at our schools, and both enhances the educational experience as well as offers the university learning experience to those

beyond the stereotypical demographic. Educational advancement and subsequent employment, also offers alternatives to poverty-initiated crime, and therefore creates safer communities. With the dissolution of the UH fund, representatives would be sending the message that university education should be an exclusive opportunity that should only be extended to the stereotypical demographic.

C) Research grants, full-range baccalaureate, master's, and doctorate programs, and retention of federal funding have furthermore enriched our university's competitiveness even while the state has cut UH Manoa funding. Just as I don't expect the legislative body to work for free and therefore I pay taxes, I do not expect those who provide essential services at our university to work for free, and therefore I pay student fees. I do not pay student fees for the State to take this money and use it to alleviate their projected deficit.

- 2) **Inept Research.** Recently, on February 10th, 2011, Senator Solomon introduced Senate Bill 120 that proposed the elimination of certain special and revolving funds. The illegality and negative impact of that bill was established through hours of oral testimony and over 500 pages of written testimony. Now, Representatives CHOY, AQUINO, CULLEN, HASHEM, ICHIYAMA, KEITH-AGARAN, and C. LEE have seen it fit to waste time with a bill that not only encompasses the inept research of SB120, but has expanded the scope of the bill in a thoroughly incompetent manner.

The basis of the bill is perhaps reasonable. It is based on the November 2010 auditor's report 10-09 that identified certain potentially problematic funds. However, the authors of this bill then employed a logical fallacy by extending this bill to include all special funds as being problematic. In essence, this bill states that because a few funds had problems, this means that all funds should be eliminated. This is like saying that because a few state representatives are inept, we should get rid of the entire legislative body. It is a logical disconnect, that has no place in the state's legislation, and therefore, I must strongly oppose HB79.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 12:23 PM
To: FINTestimony
Cc: kvs2125@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Kristen Santana
Organization: Student Activities Council UHH
Address:
Phone:
E-mail: kvs2125@hawaii.edu
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Tuesday, February 15, 2011 12:31 PM
fo: FINTestimony
Cc: kmwells@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Karyn M. Wells
Organization: Individual
Address:
Phone:
E-mail: kmwells@hawaii.edu
Submitted on: 2/15/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, February 15, 2011 1:06 PM
To: FINTestimony
Cc: leanned@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Leanne Dunn
Organization: Individual
Address:
Phone:
E-mail: leanned@hawaii.edu
Submitted on: 2/15/2011

Comments:

As a student of University of Hawai'i at Manoa I oppose this bill. My education is dependent on the funds available through special funds granting scholarships and other financial support. If the state is not supporting education and the growing potential of the next generation, then what is it supporting?

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Tuesday, February 15, 2011 1:21 PM

To: FINTestimony

Cc: kainoam031@gmail.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: kainoa matias

Organization: Individual

Address:

Phone:

E-mail: kainoam031@gmail.com

Submitted on: 2/15/2011

Comments:

If this shall pass, be prepared to suffer the repercussions; uneducated epidemic.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 4:24 PM

To: FINTestimony

Cc: jlaukong@hamakua-health.org

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Jo Ann Lau Kong

Organization: Hamakua Health Center, Inc.

Address:

Phone:

E-mail: jlaukong@hamakua-health.org

Submitted on: 2/14/2011

Comments:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

State funding for community health centers has remained relatively flat from 2005-2010, however health centers have seen a 48% increase in patients and 18% increase in uninsured patient visits during that same time period. In total, uninsured patients now represent 24% of all community health center clients. This increase in client load is taxing the operational capacity of these organizations.

Community health centers are mandated to provide comprehensive primary care and preventive care, including health, oral and mental health/substance abuse services to persons of all ages, regardless of their ability to pay. Many of the cutbacks in funding for other state programs, such as the Adult Mental Health Division and Medicaid dental care for adults, have left community health centers as the only safety net open to indigent people in need.

*Community health centers in Hawaii cared for 125,000 patients in 2009, making them the second largest provider of primary care services in the state.

*71% are either uninsured or covered by Medicaid:

- 47% of patients in 2009 were Medicaid enrollees (QUEST), which represents a 26% increase in Medicaid patients seen over 2008.

- 24% of patients were uninsured in 2010.

*72% of patients are served in rural areas, where a CHC is often the only provider.

*Patients with mental health needs grew by 46% in 2009.

*17% of patients are legal COFA migrants who are facing benefit reductions and often present with significant, costly, and complex medical needs.

*72% are below poverty. 84% are below 200% of poverty.

*Homeless patients at community health centers grew by 7% in 2009.

*Community health centers grew overall 10% in 2009, and have grown 42% over the past five years (neighbor island communities have grown by 62%).

*Our model of care at the community health centers saves \$1,262 per patient per year; that means \$160 million in savings to the State in 2010.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 9:27 PM
To: FINTestimony
Cc: johncons@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: HB_79_Senate_Ways_and_Means_Committee_02-14-11.docx

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: John Constantino
Organization:
Address:
Phone:
E-mail: johncons@hawaii.edu
Submitted on: 2/14/2011

Comments:

02-14-2011

Dear Senate Ways and Means Committee,

I am against HB 79, which would repeal all University of Hawaii special and revolving funds then transferring their balances to the state general fund.

As a Student Life Coordinator for the Student Life Center and Advisor to the Associated Students of the University of Hawaii at Kauai Community College (ASUH-KCC) Student Government, we use this specific student activity fee revenue to directly support independent campus organizations; numerous co-curricular programs and community events that we sponsor every semester.

Student activity fee revenue is also vital in supporting on-going Student Life Center rejuvenation projects. This enables ASUH-KCC Student Government to update and replace broken furniture, purchase better computer equipment and sustain the organizational day-to-day operations.

Repealing our student activity revolving fund would cripple our student life programs and student led activities and it will destroy all that we have worked for.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 5:59 PM
fo: FINTestimony
Cc: tellei@palau.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Patrick U. Tellei, EdD
Organization: Individual
Address:
Phone:
E-mail: tellei@palau.edu
Submitted on: 2/14/2011

Comments:
Please help the University by not passing the bill. Thank You.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 6:02 PM
To: FINTestimony
Cc: mkmattos@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Makana Mattos
Organization: Individual
Address:
Phone:
E-mail: mkmattos@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 6:32 PM
fo: FINTestimony
Cc: jsong7@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Jennifer Song
Organization: Individual
Address:
Phone:
E-mail: jsong7@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
sent: Monday, February 14, 2011 7:36 PM
To: FINTestimony
Cc: dianecw@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Diane Whiteside
Organization: Individual
Address:
Phone:
E-mail: dianecw@hawaii.edu
Submitted on: 2/14/2011

Comments:
DO NOT TAKE AWAY OUR UNIVERSITY FUNDS!!!!!!!!!!!!!!!

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 7:53 PM
To: FINTestimony
Cc: kcchew@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Kheng Choo Chew
Organization: Individual
Address:
Phone:
E-mail: kcchew@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 8:28 PM
To: FINTestimony
Cc: clee@waimanalohc.org
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Christina Lee
Organization: Individual
Address:
Phone:
E-mail: clee@waimanalohc.org
Submitted on: 2/14/2011

Comments:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts. Some 2009 one-year increases:

- 46% increase in the number of patients whose primary diagnosis is mental illness.
- 33% increase in dental services for the indigent.
- 26% increase in Medicaid patients and 7% increase in homeless patients.

If community health centers aren't supported they can't be:

- The mainstay of the Medicaid provider network and the only place open to uninsured patients besides the ER.
- The safety net for people with mental illnesses.
- The provider of dental care for Medicaid patients and the uninsured.
- The source of care in rural areas without other health care providers.

Economic need for supporting community health center capacity:

- If community health centers lose capacity, the indigent patients they should be caring for will increase inappropriate use of ERs, delay care and end up in the hospital, or possibly causing harm to themselves or others due to mental illnesses left unaddressed.
- Community health centers provide an extensive array of services that help patients with the socio-economic problems that exacerbate their illnesses. However, health centers use innovative and comprehensive care models that cost the health care system less money and improve health outcomes. A recent study showed that care provided by community health centers costs \$1,262 less per patient per year. Community health centers saved Hawaii's health care system \$160,000,000 in 2010.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 8:58 PM
To: FINTestimony
Cc: latimmin@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Lindsay Timmington McGahan
Organization: Individual
Address:
Phone:
E-mail: latimmin@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 9:18 PM
fo: FINTestimony
Cc: elsha@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Elsha Tivera
Organization: Individual
Address:
Phone:
E-mail: elsha@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 1:39 PM

To: FINTestimony

Cc: valerieoyakawa@yahoo.com

Attachments: Testimony.docx (10 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: Yes

Submitted by: Valerie Hill

Organization: UH West Oahu SIFE and Investment Club

Address:

Phone:

E-mail: valerieoyakawa@yahoo.com

Submitted on: 2/14/2011

Comments:

Testimony

My name is Valerie Hill and I am the president of both the SIFE and Investment Club for UH West Oahu. The student body has recently supported our club on providing promotional items for our on-going community service projects. The items served as a lasting reminder of our efforts and the message we were trying to convey. We also have events that are provided by the student body that promotes cohesion on campus, and a feeling of belonging at this school. I have traveled the world, been to many different colleges, and I like UHWO the best. It is a small campus and has limited funds due to the budget cuts, but it is a welcoming campus with just as many amenities as UH Manoa. By taking away the funds for the clubs will have a damaging effect on the campus. There will not be enough money to fund the different events for the students, which will lead to less unity, causing the students to travel to different campuses or even to the mainland where the colleges may have a better student life environment.

What is best for UH West Oahu and all the other campuses and for the promotion of Hawaii's schools is to keep the funds available and intact. Deterring from this will have negative effects on the students UHWO has currently and those considering admission, both locally and from the mainland. Thank you.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 2:51 PM
To: FINTestimony
Cc: Iwatate@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: SB_120_Senate_Ways_and_Means_Committee_02-09-11.docx

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Logan Iwatate
Organization: ASUH-KCC
Address:
Phone:
E-mail: Iwatate@hawaii.edu
Submitted on: 2/14/2011

Comments:

Dear Senate Ways and Means Committee,

My name is Logan Iwatate, I am the Business Education Senator for the Student Government at the University of Hawaii at Kauai Community College. I am against SB 120, which would repeal all University of Hawaii special and revolving funds and transfer their balances to the state general fund.

As a student leader with the Associated Students of the University of Hawaii at Kauai Community College (ASUH-KCC) Student Government, we use this specific student activity fee revenue to support numerous co-curricular programs, campus organizations and community events that we sponsor every semester. I am one of the many active student leaders in my community, that supports productivity for student life and community relations. Without proper funding there will be no community support, no events for students, and the value of education as a whole will be depleted solely for what ever the purpose is supported by the SB 120.

The upcoming generation of young people and students are our future that we rely on to build our future. To take away from that would be killing a whole society that is already struggling in poverty due to the big hit our country took economically.

Student activity fee revenue also support on-going Student Life Center rejuvenation projects that enables ASUH-KCC Student Government to update and replace broken furniture, purchase better computer equipment and sustains us with our day-to-day operations.

Repealing our student activity revolving fund would cripple our student life programs and student led activities. I really do hope that this matter can be resolved other than taking away the little money that we have.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 4:39 PM
To: FINTestimony
Cc: arciszek@hawaiipca.net
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: HB 79 in Opposition.docx

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Alison Rowland-Ciszek
Organization: HI Primary Care Association
Address:
Phone:
E-mail: arciszek@hawaiipca.net
Submitted on: 2/14/2011

Comments:
Thank you for the opportunity to provide testimony.

Testimony in opposition to HB 79. Defeating this bill will protect the support provided by the community health center special fund to Hawaii's archipelago of community health centers.

When the economy gets bad for the state, it is usually after it's been even worse for the citizenry for some months. People have lost their jobs or had their hours reduced, lost their private medical coverage, perhaps become enrolled in Medicaid—all of which points to them being more and more likely to seek the services of a community health center (or an Emergency Room—which would we rather pay for?). When things are bad in the state, it is exactly the worst time to deny funding to safety net providers like community health centers. Often the people at a community health center, offering medical, dental and behavioral health care, are all that stands between a person in need and total desperation. Right now, at CHCs from Waimea to Pahoia, need is up, demand is up, and cutting support, which might look like a good idea in the short term, is a very bad idea indeed.

You have before you all the information about the cost-saving capabilities of community health centers, and what high-quality care they deliver to EVERYONE, regardless of income level or insured status, even what economic engines they are for their communities. Please remember that health centers are a very wise investment in society. Immunizations, preventive care, chronic disease management—all areas in which health centers excel—these are the critical areas of health care that, over time, save the state money.

Community health centers lost a significant amount of state support in recent years because the existence of the special fund gave the previous administration cover to cut CHC money from the general fund. Now the lifeblood provided by the special fund is under threat. It is the responsibility of all of us, as represented by you, to care for those least fortunate in our society. Please ensure that this support remains intact. CHCs cannot continue to provide essential services to those who need it most without this resource. Thank you very much for the opportunity to submit testimony.

FINTestimony

From: mailinglist@capitol.hawaii.gov
ent: Monday, February 14, 2011 2:10 PM
To: FINTestimony
Cc: nick.d.birck@hawaii.gov
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: HPHA Testimonial Submission for FIN 2.15.11 re HB79.pdf

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Denise M. Wise
Organization: Hawaii Public Housing Authority
Address:
Phone:
E-mail: nick.d.birck@hawaii.gov
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:31 PM
To: FINTestimony
Cc: pferreira@co.hawaii.hi.us
Attachments: HB79, Hawaii PD Testimony ~1.pdf (178 KB)

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Harry S. Kubojiri, Police Chief
Organization: Hawaii Polcie Department
Address:
Phone:
E-mail: pferreira@co.hawaii.hi.us
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 4:24 PM

To: FINTestimony

Cc: james.bac@dbedt.hawaii.gov

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: Yes

Submitted by: James Bac

Organization: DBEDT

Address:

Phone:

E-mail: james.bac@dbedt.hawaii.gov

Submitted on: 2/14/2011

Comments:

This is to request that DBEDT's testimony, which I sent be retracted. The Department testimony sent by Tommmilyn Soares is the correct one. Thank you.

FINTestimony

m: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 4:21 PM
To: FINTestimony
Cc: eversole@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Dolan Eversole
Organization: University of Hawaii
Address:
Phone:
E-mail: eversole@hawaii.edu
Submitted on: 2/14/2011

Comments:

I am strongly opposed to this measure (HB79). It is a bad choice of the many ways to reduce our deficit and will be bad for local programs without adding a significant amount to our budget.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 4:10 PM
To: FINTestimony
Cc: slantel@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Sara Antel
Organization: UHSA
Address:
Phone:
E-mail: slantel@hawaii.edu
Submitted on: 2/14/2011

Comments:

As a student leader in the student government at UH Hilo, taking these funds will make it extraordinarily hard to serve my fellow students and provide them the services they deserve.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:59 PM

To: FINTestimony

Cc: kalopa51@aol.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Jean Navarro

Organization: Hamakua Health Center

Address:

Phone:

E-mail: kalopa51@aol.com

Submitted on: 2/14/2011

Comments:

If Community Health Centers aren't supported they can not be the safety they were designed to be for the poor, the underinsured, and mental health patients and those who are in dire need of emergency dental care. (poor dental care can create high risk pregnancies, heart disease, and other health issues) Please do not support Bill 79, and preserve the community health centers special fund the the health care services they provide.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:56 PM

To: FINTestimony

Cc: fumali@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Francesca Umali
Organization: ASUH
Address:
Phone:
E-mail: fumali@hawaii.edu
Submitted on: 2/14/2011

Comments:

The state is already funded by taxes, we do not need it to collect the remaining funds. It is hard enough to afford to go to college.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 3:37 PM
To: FINTestimony
Cc: clcampbe@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: Yes
Submitted by: Chelsea Campbell
Organization: Leeward Community College Student Government
Address:
Phone:
E-mail: clcampbe@hawaii.edu
Submitted on: 2/14/2011

Comments:

As a Student Leader at Leeward CC I feel it is wrong to remove our special revolving funds, such as student fees, to be taken into general funds. We use these funds constantly to not only provide a positive learning environment for our students but to help improve the ability of our leaders by attending leadership conferences. With out these funds we would not be able to throw educational events like "Walk a mile in Her Shoes" or "The Great American Smoke Out" or Morale boosting events like "Mental Health Week" or "College Bash." Please take this in to consideration: We will drive students away by taking away such events that require saving over more than just one or two years. Thank you for your time.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 3:47 PM
To: FINTestimony
Cc: melissacotrone@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Melissa Cotrone
Organization: ASUH
Address:
Phone:
E-mail: melissacotrone@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 2:55 PM
To: FINTestimony
Cc: kpakele@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Kelson Pakele
Organization: University of Hawai'i at Hilo Student Association
Address:
Phone:
E-mail: kpakele@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:03 PM

To: FINTestimony

Cc: shawna7@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Shawn Asistin

Organization: University of Hawaii at Hilo Student Association

Address:

Phone:

E-mail: shawna7@hawaii.edu

Submitted on: 2/14/2011

Comments:

WHAT IS THE STATE OF HAWAII TRYING TO DO WITH ALL THESE BILLS THAT WANT TO HURT THE STUDENTS!!!!!! YOU FOLKS ARE MEAN AND IM THINKING YOU FOLKS DONT CARE ABOUT THE STUDENTS OF HAWAII!!!!!!

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 2:47 PM

To: FINTestimony

Cc: lawd@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Lyssa Warren-Dale

Organization: UHH Student Activities Council

Address:

Phone:

E-mail: lawd@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:53 PM**To:** FINTestimony**Cc:** dlching@aol.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Donna L. Ching
Organization: Individual
Address:
Phone:
E-mail: dlching@aol.com
Submitted on: 2/14/2011

Comments:

I oppose Section 2 of House Bill 79 which repeals the community health center special fund. This is the only source of dedicated state funding for community health centers to provide care for the uninsured and the operations of community health centers. The state budget cannot be balanced by sacrificing the health of those who are the most vulnerable and needy in our communities.

More than ever, community health centers are the safety net, trying to shore up services in the face of both significantly increased community needs and widespread state program cuts. Some 2009 one-year increases:

- * 46% increase in the number of patients whose primary diagnosis is mental illness.
- * 33% increase in dental services for the indigent.
- * 26% increase in Medicaid patients and 7% increase in homeless patients.

If community health centers aren't supported they can't be:

- * The mainstay of the Medicaid provider network and the only place open to uninsured patients besides the ER.
- * The safety net for people with mental illnesses.
- * The provider of dental care for Medicaid patients and the uninsured.
- * The source of care in rural areas without other health care providers.

Economic need for supporting community health center capacity:

* If community health centers lose capacity, the indigent patients they should be caring for will increase in inappropriate use of ERs, delay care and end up in the hospital, or possibly causing harm to themselves or others due to mental illnesses left unaddressed.

* Community health centers provide a extensive array of services that help patients with the socio-economic problems that exacerbate their illnesses. However, health centers use innovative and comprehensive care models that cost the health care system less money and improve health outcomes. A recent study showed that care provided by community health centers costs \$1,262 less per patient per year. Community health centers saved Hawaii's health care system \$160,000,000 in 2010. Mahalo! Donna L. Ching

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:57 PM

To: FINTestimony

Cc: karleanne@paranphotography.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Karleanne Matthews

Organization: Individual

Address:

Phone:

E-mail: karleanne@paranphotography.com

Submitted on: 2/14/2011

Comments:

As a student of the University of Hawaii, I must strongly oppose HB79. No matter the state's financial position, taking funds from the university is the worst possible solution; if Hawaii is to ever expect to thrive economically and commercially, it must support the university, not sabotage it.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 3:39 PM
To: FINTestimony
Cc: maimakana1434@aol.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: comments only
Testifier will be present: No
Submitted by: Chrislyn Villena
Organization: Individual
Address:
Phone:
E-mail: maimakana1434@aol.com
Submitted on: 2/14/2011

Comments:

Why are we taking funds away from the young men and women who barely have enough money to pay for their education let alone make ends meet? These funds should be given back to the institution to better their education, provide opportunities for such young students to achieve their career goals as well as their personal goals. As a society, why do we expect young students to attain education (being that they need higher than a college BA in order to attain professional positions) and yet we do not allow them opportunities to succeed? We put more challenges in their way. Are we truly providing for the future by penalizing the present because of the wrongful decisions made by the past? I hope not. My two brothers as well as numerous young college students I work with at my job, need to establish a personal identity and meaning to their work. The University of Hawaii at Hilo, gave me the chance to fill those needs and now I believe that it should continue to fill the needs of the students as it builds community and bridges other communities with itself. Dont take away the future by taking away the means it needs to build the present.
Thank you!

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 3:35 PM
To: FINTestimony
Cc: sarita@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Sarita Rai
Organization: Individual
Address:
Phone:
E-mail: sarita@hawaii.edu
Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:25 PM

To: FINTestimony

Cc: tom.l.read@hawaii.gov

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: Yes

Submitted by: Department of Public Safety

Organization: Individual

Address:

Phone:

E-mail: tom.l.read@hawaii.gov

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:21 PM**To:** FINTestimony**Cc:** stbehastx@aol.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Manu Stanton

Organization: Individual

Address:

Phone:

E-mail: stbehastx@aol.com

Submitted on: 2/14/2011

Comments:

Aloha,

The fact that this testimony and bill itself has even been introduced clearly and concisely illustrates that many of those elected to lead (and I use that term loosely) are clearly out of real or even creative solutions to this budget crisis. Cutting funding to the states ONLY public university while allowing construction of a new recreation center on campus (at Manoa) is hypocritical to say the least. The budget must be balanced, I understand and appreciate your sense of financial security, but a broad spectrum money grab will only make things worse in the long term.

This is the same principle that applies whenever the legislature takes money out of funds like the tsunami relief fund; you are now gambling that there won't be a tsunami in the near future because if there is the cost to the state will now be exponentially higher because there are less available funds than there should be. This is crazy because we cannot know when a tsunami will be coming, remember the recent tsunami warning. Removing money from UH and all of the campus organizations that it supports is a gamble that not a single beneficial connection occurs there, whether it be a guest speaker who finds new grad students, employees or otherwise. By removing this money you are largely affecting the youngest of constituency, who now are just beginning understand how simple minded and planner the "leaders" of the previous generations have been and have not until recently been able to vote. For the love of Hawaii and it's young people give UH the money it deserves, not less money, MORE.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:29 PM

To: FINTestimony

Cc: mawhar@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Deborah Mawhar

Organization: Individual

Address:

Phone:

E-mail: mawhar@hawaii.edu

Submitted on: 2/14/2011

Comments:

UHM faculty member

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 3:27 PM

To: FINTestimony

Cc: Surfiechick86@hotmail.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Robyn petterson

Organization: Individual

Address:

Phone:

E-mail: Surfiechick86@hotmail.com

Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 12:26 PM
To: FINTestimony
Cc: andrea6@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Andrea Mailo
Organization: Individual
Address:
Phone:
E-mail: andrea6@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 12:55 PM
To: FINTestimony
Cc: pradel@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Eric Pradel
Organization: Individual
Address:
Phone:
E-mail: pradel@hawaii.edu
Submitted on: 2/14/2011

Comments:

I oppose this House Bill because it takes away from the University that this state holds dear. If this passed the University would lose much of its funding that it receives from Tuition and other special funds. If the University lost these funds then it would not be able to operate properly. With the several bills that have been brought up lately in the House and Senate it seems as though this state's government does not care about the University that most of the legislators graduated from and would like to see it dissolve. As a current student at UH I feel that this bill is a great disrespect to the current students, alumni, and the university itself, so please repeal this bill as soon as possible.

Thank you for your time,
A concerned UH Student

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:37 PM

To: FINTestimony

Cc: nwalsh@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Nathan Walsh

Organization: Individual

Address:

Phone:

E-mail: nwalsh@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:21 PM

To: FINTestimony

Cc: Silviac@Hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Chelsea

Organization: Individual

Address:

Phone:

E-mail: Silviac@Hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:15 PM

To: FINTestimony

Cc: seanlw@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Sean Wilbur

Organization: Individual

Address:

Phone:

E-mail: seanlw@hawaii.edu

Submitted on: 2/14/2011

Comments:

As a Senator for the College of Arts and Sciences at the University of Hawaii at Manoa, I am strongly opposed to any measures that would remove funds from educational programs and further restrict education in this state, HB79 included. This bill would damage the University's ability to function and provide educational resources to the students, of which we are already lacking for a university. Please protect education in our state and do not allow this bill to pass.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:57 AM

To: FINTestimony

Cc: kumemoto@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Karen Umemoto

Organization: Individual

Address:

Phone:

E-mail: kumemoto@hawaii.edu

Submitted on: 2/14/2011

Comments:

Passage of HB 79 would devastate UH operations, as well as operations of other agencies providing vital services in our community. Please kill the bill!

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:02 PM

To: FINTestimony

Cc: c2paul@hotmail.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Dr. Paul M. Chandler

Organization: Individual

Address:

Phone:

E-mail: c2paul@hotmail.com

Submitted on: 2/14/2011

Comments:

Please do not approve House Bill 79 as it would greatly harm too many much needed services! Just raise the excise tax one cent or one-half a cent. The US has the lowest taxes in the Western world already. I, like many others, am willing to pay for the services our government provides. Mahalo!

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:07 PM

To: FINTestimony

Cc: chasse@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Matthew Chasse
Organization: Individual
Address:
Phone:
E-mail: chasse@hawaii.edu
Submitted on: 2/14/2011

Comments:

I oppose this bill.

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:10 PM

To: FINTestimony

Cc: dannylee@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Danny Lee

Organization: Individual

Address:

Phone:

E-mail: dannylee@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:09 PM

To: FINTestimony

Cc: vharris@Hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: victoria

Organization: Individual

Address:

Phone:

E-mail: vharris@Hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 12:12 PM

To: FINTestimony

Cc: kylekomo@hawaii.edu

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: Kyle Komo

Organization: Individual

Address:

Phone:

E-mail: kylekomo@hawaii.edu

Submitted on: 2/14/2011

Comments:

Testimony for HB79 on 2/15/2011 3:00:00 PM

mailinglist@capitol.hawaii.gov [mailinglist@capitol.hawaii.gov]

Sent: Monday, February 14, 2011 11:42 AM

To: FINTestimony

Cc: benhamb@mac.com

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308

Testifier position: oppose

Testifier will be present: No

Submitted by: bob benham

Organization: Individual

Address:

Phone:

E-mail: benhamb@mac.com

Submitted on: 2/14/2011

Comments:

I am truly saddened by the mere suggestion that the legislature might, in a flash, sweep monies from the UH budget in order to fix our budget shortfalls. In a state where legislators already seem to have a very low level of respect for education in general, this move only serves to erode our education standards further.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:50 AM
To: FINTestimony
Cc: jcj@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: James Jack
Organization: Individual
Address:
Phone:
E-mail: jcj@hawaii.edu
Submitted on: 2/14/2011

Comments:

It is vital that you vote to preserve the acquisition and preservation of local art works here in our valued state of Hawai'i as well as maintain UH and educational systems intact as they are absolutely crucial to the well-being and livelihood of our people.

HB 79 threatens essential services that cannot be sacrificed if we want to keep Hawai'i healthy, alive, educated and prepared for the 21st century. I urge you to vote against the bill so that special funds are not transferred into the general state fund.

The impact would be devastating and traumatizing for many services that I personally think are absolutely essential for the state including public and environmental health and safety; emergency medical services; mental health and substance abuse; family violence; public housing assistance; beach restoration; maintenance and parks, forests and nature reserves; aquaculture development; water resource management; irrigation, dam and reservoir repair and maintenance; energy security; economic development including commercial fisheries, television and film, and high technology; teacher standards; and K-12 and higher education operations and student support.

Without these services our citizens will be severely deficient, the environment will be neglected and life will be unnecessarily bleak for the state of Hawaii. I urge you to seriously consider the widespread impact of this bill on the people of Hawaii and vote to save public services.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:55 AM
To: FINTestimony
Cc: byjove@hotmail.com
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM
Attachments: contra_HB_79.txt

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Stephen Tschudi
Organization: Individual
Address:
Phone:
E-mail: byjove@hotmail.com
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:56 AM
To: FINTestimony
Cc: robinow@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Steven Robinow
Organization: Individual
Address:
Phone:
E-mail: robinow@hawaii.edu
Submitted on: 2/14/2011

Comments:

As a faculty member of UH and a citizen of the State of Hawaii; I am opposed to HB 79. I am opposed to any effort by the legislature to repeal UH special and revolving funds.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:42 PM
To: FINTestimony
Cc: howellsm@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Samuel Matthew Howell
Organization: Individual
Address:
Phone:
E-mail: howellsm@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:32 PM
To: FINTestimony
Cc: concilus@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony_for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: caitlin concilus
Organization: Individual
Address:
Phone:
E-mail: concilus@hawaii.edu
Submitted on: 2/14/2011

Comments:

Joshua B. Mandelstam
Testimony for HB79
02/14/2011

Aloha distinguished members of the House,

My name is Joshua Mandelstam, and I am a PhD Candidate at the University of Hawaii, as well as being a member and participant in several Certified Student Organizations. I am testifying today because one of the funds to be cut by this bill would remove all funding for non-class based activities on the campus. I would like to remind our representatives that the University, and experience that it generates for the students is far more than just academics. Services like the KTUH radio station and Ka Leo newspaper, which are threatened by this bill serve the vital functions of providing communication across campus, as well as giving the students and faculty a voice in the community. These and other student organizations help furnish a diverse, yet unified atmosphere throughout the institution, and provide a means for any individual to dialogue with the ideas prevalent in the student body. Further, such services and organizations help to create a well rounded collegiate setting, which is an important factor when students decide whether to choose UH over other schools. It is participation these institutions, and not the brute academics, which provide valuable practical experience that will prove vital when students enter the job market.

In addition, I would like to remind the House that a good portion of the money in this fund is provided by student fees; the State Government has no right to take that money away from the students. If there is no option other than that the portion provided by the State should be phased out, then it is the responsibility of this body to provide a long enough transition period (in the order of 3-4 years) to allow the University to create internal means of funding for these organizations. Otherwise, the experience of the UH student body, and the education of its graduates, will be greatly impoverished, and the readiness of students to enter the job force after graduation will be diminished.

Mahalo for your time,

Joshua B. Mandelstam
PhD Candidate
University of Hawaii at Manoa

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 10:57 PM
To: FINTestimony
Cc: gasda@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Patrick Gasda
Organization: Individual
Address:
Phone:
E-mail: gasda@hawaii.edu
Submitted on: 2/14/2011

Comments:

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:11 PM
To: FINTestimony
Cc: rtleal@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Teddy Leal
Organization: Individual
Address:
Phone:
E-mail: rtleal@hawaii.edu
Submitted on: 2/14/2011

Comments:

I am a student at the University of Hawaii at Manoa (UHM) and I oppose this bill as it, of course, will affect me and many others that find that we are only able to attend this school because of its relatively low cost compared to many other schools. To my knowledge, there is also an increasingly enormous amount of students enrolled each year at UHM (and its affiliated community colleges) and this causes a major problem as our school may not be able to accommodate more enrolling students nor will students be able to graduate on time due to classes being cut or filled too quickly during registration. Please do not let this bill pass to take our funds as many students already feel the awful effects of budget cuts on campus and I, as a proud UHM student, would be devastated to see UHM faced with more financial issues as I believe that the students are the most affected by these tribulations.

FINTestimony

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 14, 2011 11:31 PM
To: FINTestimony
Cc: parcheta@hawaii.edu
Subject: Testimony for HB79 on 2/15/2011 3:00:00 PM

Testimony for FIN 2/15/2011 3:00:00 PM HB79

Conference room: 308
Testifier position: oppose
Testifier will be present: No
Submitted by: Carolyn Parcheta
Organization: Individual
Address:
Phone:
E-mail: parcheta@hawaii.edu
Submitted on: 2/14/2011

Comments: