

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 902, H.D. 1

March 1, 2011

RELATING TO THE UNIVERSITY OF HAWAII

House Bill No. 902, H.D. 1, establishes a Hawaii Medical Doctor Loan Program that would provide financial support to students who complete a State-approved medical school program at the University of Hawaii and graduates of a medical school who have received medical training from a Hawaii-based medical program. These students and graduates would agree to practice in rural areas of the State. The program would be financed by the Hawaii Medical Doctor Loan Program revolving fund created by this bill. House Bill No. 902, H.D. 1, appropriates unspecified sums from the general fund each year of the biennium for deposit into the revolving fund.

As a matter of general policy, the Department of Budget and Finance does not support the creation of a revolving fund which does not meet the requirements of Section 37-52.4 of the Hawaii Revised Statutes. Special or revolving funds should:

- 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program;
- 2) provide an appropriate means of financing for the program or activity;
- and 3) demonstrate the capacity to be financially self-sustaining.

In regards to House Bill No. 902, H.D. 1, it is difficult to determine whether the fund will be self-sustaining.



# **UNIVERSITY OF HAWAII SYSTEM**

## **Legislative Testimony**

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Written Testimony Presented Before the  
House Committee on Finance  
Tuesday, March 1, 2011 at 4:00 pm

By

Virginia S. Hinshaw, Chancellor

And

Jerris Hedges, MD, MS, MMM, Dean  
John A. Burns School of Medicine  
University of Hawai'i at Mānoa

### **HB 902 HD1 RELATING TO THE UNIVERSITY OF HAWAII**

Chair Oshiro, Vice Chair Lee and members of the House Committee on Finance, thank you for this opportunity to provide testimony in support of the intent of this bill to alleviate the shortage of physicians in Hawai'i, especially those in our rural communities, including the neighbor islands.

HB 902 HD1 creates a loan program for medical students who work in rural areas of the State. Given the importance of addressing the workforce shortage and the reality of rising tuition costs, such programs are needed to complement our other efforts to expand the physician workforce. Future bills should also seek to address educational support for Nurse Practitioners as well.

We believe support for administration of any such program (to include loan officer staff, administrator, collections personnel, overhead, etc) must be provided along with actual funds for the loans. The School's overall operating budget must not be taxed by any such new program.

In summary, we support the measure provided that the measure does not replace or adversely impact priorities as indicated in the University's Board of Regents Approved Executive Biennium Budget.

Mahalo.



THE LEAGUE  
OF WOMEN VOTERS OF HAWAII

February 28, 2011

Testimony in favor of HB 902 (HSCR 189)

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

Tuesday March 1, 2011  
4:00 P.M.  
Conference Room 308  
State Capitol

The League of Women Voters of Hawaii Stands in Support of HB 902's addition (HSCR454) establishing a revolving fund to be known as the Hawaii medical doctor loan program revolving fund administered by the board of regents.

Our lack of access to and long drain of health care providers from this state needs all assistance and perhaps this bill will assist in that.

Thank you for allowing me to offer this testimony.

Joy A Marshall R. N. for  
The League of Women Voters of Hawaii  
Chair: Health Care Reform