



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
February 25, 2011 at 9:00 a.m.

by

Howard Todo

Vice President for Budget & Finance/CFO, University of Hawai'i

SB 238 SD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Ige, Vice Chair Kidani and Members of the Committee:

The University strongly supports the passage of this measure.

The purpose of this bill is to amend Chapter 37, Hawai'i Revised Statutes, to allow the University of Hawai'i to carryover of up to five percent of current year General Funds appropriated to the subsequent fiscal year, except for appropriations to fund financing agreements entered into in accordance with Chapter 37D, at the close of the fiscal year. Allowing this carryover will result in more efficient utilization of University and State resources by reducing the time and effort expended by fiscal personnel to avoid the lapsing of such General Funds at fiscal year-end which does not result in added value or savings for the University or the State. Additionally, the carryover will allow expenditures in the fourth quarter of each fiscal year to be performed in a more prudent and routine manner.

Under the current requirements, fiscal personnel at the University as well, we believe, as accounting and budget personnel at the State Departments of Accounting and General Services and of Budget and Finance must allocate a significant amount of time and effort to administer, account for, encumber, and expend appropriated General Funds at fiscal year end and in the following fiscal year.

Unlike other State agencies, the University has a number of non-general funds that need to be used to supplement the General Funds allocated to the University since the amount of such General Funds appropriated is not sufficient to cover the University's operating costs. University personnel devote much time at year-end to account for all expenditures and encumbrances to ensure that (1) all of the General funds are fully utilized and (2) operating costs not covered by General Funds are paid for by non-general funding. This practice is inefficient and does not result in benefit to the University or the State of Hawai'i.

In addition, the University is currently participating in a joint effort with a number of major universities on the development of an open-source software for financial management. This software, "Kuali Financial System" represents the best practices of the participating institutions. Since the other participating universities do not need to account for funds separately by fiscal year, the software is not designed to do so. The flexibility provided by this measure will allow the University to avoid major modifications to the software which would be costly and time consuming.

In summary, the passage of this measure will provide flexibility to fiscal and accounting personnel of the University to more effectively manage General Fund monies.

We do, however, respectfully request an amendment to the wording in line 14 of page one of the measure to replace the words "on the status and" with the words "of the". This is because one of the benefits of the bill is to reduce the time required to keep track of individual expenditures separately by year in subsequent periods. We certainly will report what funds are carried over to the next fiscal year.

Thank you for the opportunity to testify in support of this measure.

Personal Testimony Presented before the
WAM Committee on SB239
2 -25- 2011
9am
by
Martin Rayner

SB 239

Chair David Y. Ige, Vice Chair Michelle Kidani, and Members of the Committee:

My name is Martin Rayner and I am proud to be a Professor of Cell and Molecular Biology with the University of Hawaii at Manoa's John A. Burns School of Medicine (JABSOM). I am pleased to provide my personal testimony in support of SB 239. This testimony is offered from my heart and personal experience rather than attempting to reflect any official position of the University of Hawai'i or JABSOM.

I came to Hawaii in 1964 to serve as an Assistant Professor in the Department of Physiology in what was to eventually become the School of Medicine. When that institution was opened for its first class of Medical Students, I gave the first lecture for our students in introductory Neuroscience. Subsequently I became Chair of Physiology in the developing Medical School (serving for ten years in that capacity) and have continued to contribute to this School as a full-time teacher and researcher until now, while altering my departmental affiliation over time and ending up in the Department of Cell and Molecular Biology but still as a Neuroscientist.

Thank you for the opportunity to testify on this bill. I have seen JABSOM grow from its early start to its present impressive status and am extremely proud to have made this my life's work. I am sure that you understand, as I do, the important role this School has had in training an impressive group of physicians for these islands. Their role has not been just to serve Hawaii, our staff and students have reached out to help the islands that belong within the Compact of Free Association, and have interacted with Guam and Okinawa as well as with physicians and medical students in Japan and Korea.

Recently, this School has received major timely help from the Tobacco Settlement Funds. Funding from this source has been extremely beneficial in allowing the continued expansion of our School to better serve our own Hawaiian island populations in a time when the shortage of Physicians seems to threaten the maintenance of high quality health care despite our best efforts.

I am delighted to be able to express my extreme satisfaction with the innovative teaching methods (Problem Based Learning) that we are now using, as well as my personal delight in the adventurous use of this process that is made on a daily basis by the extremely smart and interesting students we attract, primarily from our multi-cultural island population. These students are a constant joy to be involved with and I feel almost guilty to gain so much enjoyment from our teaching process.

Since the arrival of Dean Hedges, the School has been rewarded by a highly successful accreditation visit from the Liason Committee on Medical Education – and this School is now on track to continue its good work for the people of this State for the foreseeable future. Our only problem is to ensure sufficient funding to continue our service in these very difficult financial times, times that are likely to become ever more complex in view of recent events in Washington and across the world. I, therefore, offer my strongest possible recommendation for your continuation of Tobacco Settlement Funding for our School. This additional funding makes it possible for us to send our students to the Big Island for the first time as a cohort, an important step as we increasingly address the shortages of physicians in the outer islands of our State.

I will continue to do my best to help this School, and I ask only for your help in bringing the gift of the best possible health care to the people of our State.

HMSA



An Independent Licensee of the Blue Cross and Blue Shield Association

February 25, 2011

The Honorable David Y. Ige, Chair
The Honorable Michelle Kidani, Vice Chair
House Committee on Ways and Means

Re: HB 239 SD1 – Relating to the Hawaii Tobacco Settlement Special Fund

Dear Chair Ige, Vice Chair Kidani and Members of the Committee:

The Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify on HB 239 SD1. HMSA supports that provision of the Bill that extends the authorization to June 30, 2015, for the use of a portion of the Hawaii Tobacco Settlement Special Fund (Tobacco Funds) by the John A. Burns School of Medicine (JABSOM). However, we offer no comments on the other provisions of this legislation.

JABSOM stands as the fulcrum of Hawaii's development as the health center of the Pacific. We believe that JABSOM has made wise use of its share of the Tobacco Funds by investing in the training of medical professionals and technicians who go on to live and work in Hawaii. And, we very much are cognizant of the need for such services in our remote island communities.

In addition to training physicians, Tobacco Funds have been used to train speech pathologists, medical technicians, and public health specialists – all members of the health care community. The nexus between the Tobacco Funds and these health care providers is clear. The health risks of tobacco use and second hand smoke is evident and documented in cases of lung cancer, pneumonia, asthma, and higher blood pressure.

We believe that every effort to address the cause and effects of tobacco use, including the schooling of those professionals and technicians who help to ameliorate those factors, is imperative and a proper use of the Tobacco Funds.

Thank you for the opportunity to testify today.

Sincerely,

A handwritten signature in black ink, appearing to read 'JDiesman', written over a white background.

Jennifer Diesman
Vice President
Government Relations