



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
Senate Committee on Ways and Means
February 22, 2013 at 9:00am

by

Linda K. Johnsrud

Executive Vice President for Academic Affairs & Provost, University of Hawai'i

SB 624 SD1– RELATING TO THE UNIVERSITY OF HAWAII

Chair Ige, Vice Chair Kidani and members of the committee:

The University continues to have concerns regarding S.B. No. 624 SD1, which prohibits the expenditure of moneys deposited into the University of Hawai'i tuition and fees special fund on administrative salaries at the University of Hawai'i.

Tuition revenues and State general fund appropriations together provide the University's core operating funds. The University accepts its responsibility to ensure that tuition is established and spent responsibly for the benefit of students. The University welcomes further dialog with the Legislature regarding the appropriate allocation of costs between these two funding sources, as well as the overall costs and efficiency of University operations.

Because tuition revenues represent a significant portion of core operating funds, legislative action to specify which expenses may be paid from tuition revenues would add complexity to the University's fiscal operations but would not directly address what costs are reasonably necessary to efficiently operate the University. We respectfully submit that responsibility for overseeing the use of tuition revenues should remain with the Board of Regents.

As noted in our testimony to the Committee on Higher Education, no tuition funds are used to fund administrative salaries within the UH system offices. If the Legislature concludes that legislation is necessary in this area, we would ask that the bill be clarified to refer specifically to executive and managerial salaries in the system offices.

Thank you for the opportunity to testify.