



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Legislative Management
February 17, 2016 at 2:00 p.m., Room 423

by
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University of Hawai'i System

HB 1624 HD1 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Nishimoto, Vice Chair Mizuno, and Members of the Committee on Legislative Management:

Thank you for this opportunity to testify on HB1624 HD1, Relating to the University of Hawaii, which requires the State Auditor to conduct a comprehensive audit of the UH system and recommend whether separating the Community Colleges and four-year universities into different systems would increase the efficiency of each institution.

Article X, Section 6 of the Hawai'i State Constitution, establishes that the Board of Regents "shall have exclusive jurisdiction over the internal structure, management, and operation of the university." We do recognize that autonomy must be exercised with transparency, and in that regard we would cooperate with the State Auditor in any way possible, as we do now on the wide ranging special audits conducted now in addition to our federally mandated external audit.

As far as generating efficiencies by separating the Community Colleges and four-year universities into different systems, such a move would incur significant additional costs for governance and central administrative services that are now shared within the University system. There would also likely need to be a central coordinating board for higher education. This approach also runs counter to the more common trends on the mainland that are seeking to consolidate community college and university systems in order to generate administrative efficiencies, reduce program duplication, and better ensure student transfer.

The University does not object to this measure, however, we do not believe this will be a fruitful use of the resources of the State Auditor. Furthermore, if this audit is as substantial and comprehensive as described, it will entail additional University resources to support the Legislative Auditor's efforts. The University requests an appropriation for the University's efforts. Thank you for your time and consideration.

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**TESTIMONY FOR HOUSE BILL 1624, HOUSE DRAFT 1, RELATING TO THE
UNIVERSITY OF HAWAII**

House Committee on Legislative Management

Hon. Scott Y. Nishimoto, Chair

Hon. John M. Mizuno, Vice Chair

Wednesday, February 17, 2016, 2:00 PM

State Capitol, Conference Room 423

Honorable Chair Nishimoto and committee members:

I am Kris Coffield, representing the IMUAlliance, a nonpartisan political advocacy organization that currently boasts over 350 local members. On behalf of our members, we offer this testimony in support of HB 1624, HD1, relating to the University of Hawaii.

When our organization was founded in 2011, our primary aim was to engage college students in discussing public policy. One of the primary areas of concern for our original members was, unsurprisingly, management of the University of Hawaii system.

UH administrators have focused, in recent years, on cost containment and improved efficiencies, resulting in less-than-expected tuition hikes for 2015-2016 and 2016-2017 of 5 and 7 percent, respectively, at most UH campuses. At the same time, several areas of UH funding remain disconcerting, including: 1) the athletics department running a \$9 million budget shortfall for the current biennium; 2) 25 administrators, professors, and other personnel earning over \$275,000 annually; and 3) a 2014 audit finding 17 potential funding source errors, such as the questionable supplementing of high-earning revolving funds with public funds (the Student Health Center Revolving Fund reported year-end balances ranging from \$444,000 in 2010 to \$3.6 million in 2014, but the center received general fund appropriations of \$320,000 in 2010 and \$530,000 in 2013).

In short, UH's fiscal management is an ongoing concern for all members of the UH community. Mahalo for the opportunity to testify in support of this bill.

Sincerely,
Kris Coffield
Executive Director
IMUAlliance