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MANAGEMENT DIVISION  
FINANCIAL ADMINISTRATION DIVISION  
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

**WRITTEN ONLY**  
TESTIMONY BY CRAIG K. HIRAI  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
TO THE SENATE COMMITTEE ON HIGHER EDUCATION  
ON  
HOUSE BILL NO. 2206, H.D. 1

**March 17, 2022**  
**3:10 p.m.**  
**Room 229 and Videoconference**

RELATING TO AN APPROPRIATION FOR THE UNIVERSITY OF HAWAII

The Department of Budget and Finance (B&F) offers comments on this bill.

House Bill No. 2206, H.D. 1, appropriates an unspecified amount of general funds for the University of Hawai'i at Mānoa (UHM) and an unspecified amount of general funds for the University of Hawai'i at Hilo (UHH) in FY 23 for athletics.

B&F notes that the FY 23 Executive Supplemental Budget includes budget requests to add \$3,600,000 in general funds for UHM and \$400,000 in general funds for UHH in FY 23 for athletics.

B&F also notes that, with respect to the general fund appropriations in this bill, the federal Coronavirus Response and Relief Supplemental Appropriations Act requires that states receiving Elementary and Secondary School Emergency Relief (ESSER) II funds and Governor's Emergency Education Relief II funds must maintain state support for:

- Elementary and secondary education in FY 22 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and

- Higher education in FY 22 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

Further, the federal American Rescue Plan (ARP) Act requires that states receiving ARP ESSER funds must maintain state support for:

- Elementary and secondary education in FY 22 and FY 23 at least at the proportional level of the state's support for elementary and secondary education relative to the state's overall spending, averaged over FYs 17, 18 and 19; and
- Higher education in FY 22 and FY 23 at least at the proportional level of the state's support for higher education relative to the state's overall spending, averaged over FYs 17, 18 and 19.

The U.S. Department of Education has issued rules governing how these maintenance of effort (MOE) requirements are to be administered. B&F will be working with the money committees of the Legislature to ensure that the State of Hawai'i complies with these ESSER MOE requirements.

Thank you for your consideration of our comments.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Higher Education  
Thursday, March 17, 2022 at 3:10 p.m.

by

David A. K. Matlin, Athletics Director  
University of Hawai'i at Mānoa

HB 2206 HD1 – RELATING TO AN APPROPRIATION FOR THE UNIVERSITY OF HAWAII

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

Thank you for this opportunity to submit this testimony of the University of Hawai'i at Manōa Athletics Department (UHM Athletics) in support of HB 2206 HD1 which proposes to provide funding in support of a Division I collegiate athletics program for the State of Hawai'i.

In a state with no professional sports and as the only Division I collegiate athletics program in Hawai'i, UHM Athletics brings in teams to play before Hawai'i residents and competes on the mainland and internationally as an ambassador of aloha and a representative of all of the people of Hawai'i. HB 2206 HD1 could help UHM Athletics to offset higher costs that are unique to Hawai'i that peers we compete against do not have to address. Funding could also go a long way towards upgrading facilities and programs for the health and well-being of student-athletes.

Funding would also come at a critical time to help offset the loss of the Aloha Stadium as a playing venue for UH Football home games. The loss of Aloha Stadium has eliminated the opportunity to realize ticketing and other revenues at a full-sized stadium scale. Emergency improvements needed to be expeditiously made to allow the community to attend football games at the Clarence TC Ching Athletics Complex have offset some of those lost revenue opportunities, but at reduced scale and capacity. More work needs to be done in order to make the Ching Complex a viable Division I football venue to comply with NCAA and conference requirements that call for a minimum average attendance of 15,000. Expanding the Ching Complex to allow for 15,000+ seating will help to address the risk of being found in default, particularly given the continuing uncertainty regarding the timing of a new replacement stadium via the new Aloha Stadium project. Expanding the Ching Complex is a key element in improving overall financing of UHM Athletics since positive net revenue from UH Football benefits all teams, most of which are non-revenue generating.

Any additional funding would be appreciated and beneficial to all sports at the University. While HB 2206 originally considered a funding amount of \$14.5 million, amendments in HD1 have left the amount to be determined. The University respectfully

submits for the committee’s consideration a proposed budget of how legislative funding support of about \$14.5 million could help UHM Athletics. Such funding would be used to offset costs for UHM Athletics that are uniquely higher than our competitors, for example:

1. Travel subsidies and guarantees to bring teams to Hawai’i to compete in all sports.
2. Team travel to and from Hawai’i for all UHM Athletics teams.
3. Recruiting costs that are higher for Hawai’i because of greater distances to cover.

In addition, UHM Athletics would also intend to use funds to expand student-athlete directed programs such as:

1. Health and wellness initiatives and nutrition program.
2. Increasing the level of NCAA allowed support for offsetting the “cost of attendance” for student-athletes provided by UHM Athletics.

Any additional funding from the legislature could also help to support the needed expansion of the Ching Complex.

A summarization of how \$14.5 million in funding would be used to benefit the student-athletes and fans of UH sports is as follows:

Travel Subsidies and Guarantees	\$2.2M
Team Travel	1.9M
Recruiting	0.3M
Health and Wellness Initiatives	1.8M
Offsetting Student-Athlete Cost of Attendance	1.0M
Ching Complex NCAA Expansion	<u>7.3M</u>
Total	\$14.5M

As mentioned above, UHM is appreciative of any support from the legislature and recognizes the level of funding in the bill is still to be determined. Any funding received would go toward the costs listed above and will benefit the student-athletes health and wellness and their competitiveness in the sports they participate in.

UHM Athletics respectfully requests passage of HB 2206 HD1. Thank you for your time and consideration of this testimony.



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
Senate Committee on Higher Education  
Thursday, March 17, 2022 at 3:30 p.m.

By  
Bonnie Irwin  
Chancellor  
and  
Patrick Guillen  
Athletic Director  
University of Hawai'i at Hilo

### HB 2206 HD1 – RELATING TO AN APPROPRIATION FOR THE UNIVERSITY OF HAWAII

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

Thank you for this opportunity to submit this testimony of the University of Hawai'i at Hilo Athletics Department (UHH Athletics) in support of HB 2206 HD1 which proposes to provide funding in support of a Division II collegiate athletics program for the State of Hawai'i.

UHH Athletics brings in teams to play before Hawai'i residents and competes on the mainland and serves as an ambassador of aloha and a representative of all of the people of Hawai'i. HB 2206 HD1 would help UHH Athletics offset higher costs that are unique to Hawai'i that our peers we compete against do not have to address.

Any additional funding would be appreciated and beneficial to all of our sports and student-athletes at the University. While HB 2206 originally considered a funding amount of \$500,000 for UHH Athletics, amendments in HD1 have left the amount to be determined. UHH respectfully submits for the committee's consideration a proposed budget of how legislative funding support of about \$500,000 could help UHH Athletics. Such funding would be used to offset costs for UHH Athletics that are uniquely higher than our competitors, for example:

1. **TRAVEL EXPENSES:** 66% of our operational budget is allocated to travel-related costs. In comparison, our peers on the mainland appropriate approximately 20% of their budget towards travel-related expenses.
2. **EXTERNAL SUPPORT:** UH Hilo is the only school in the PacWest Conference that does not have an "athletics student fee."
3. **RECRUITING COSTS:** It costs UH Hilo significantly more than our peers on the mainland to recruit student-athletes that can compete at the NCAA II level.

In addition, UHH Athletics would also intend to use funds to expand student-athlete directed programs such as:

1. Nutritional programs
2. Augment athletic training services to improve health, wellness and safety of student-athletes
3. Enhance treatment and rehabilitation equipment for student-athlete health and wellness

HB 2206 HD1 would assist in addressing these unique costs, which in turn would make UHH Athletics more competitive while at the same time improve the overall student-athlete experience. As our current and future ambassadors of aloha this is vitally important. This additional funding will also bring immeasurable benefits to the Big Island and Hilo community as a collective source of community pride in our program.

Moreover, UHH Athletics also provides significant economic benefits to the State and the Big Island communities over the course of the year with the various teams, families, students and visitors that our program attracts each and every year that stay in our hotels, rent their vehicles and dine at our local restaurants.

A summarization of how the \$500,000 in funding would be used to benefit our student-athletes is as follows:

Team Travel	\$340,000
Recruiting	\$60,000
Nutritional Subsidy, Health & Wellness	<u>\$100,000</u>
Total	\$500,000

UHH Athletics is appreciative of any support from the legislature and recognizes the level of funding in the bill is still to be determined. Any funding received would go toward the costs listed above and will greatly benefit our student-athletes health and wellness and their competitiveness in the sports they participate in.

UHH Athletics respectfully requests passage of HB 2206 HD1. Thank you for your time and consideration of this testimony.