

On behalf of the University of Hawai'i at Hilo, I express our deepest appreciation to the legislature for its investment in us over the years. With your support, UH Hilo has become a comprehensive university, with 36 bachelor's, six master's, and two doctoral degree programs. Our commitment to personalized baccalaureate education ensures we offer a close-knit, supportive learning community. UH Hilo has served students well even without having received sufficient funding to support enrollment growth. Having always been frugal, we can show that we are a cost-effective investment for Hawai'i taxpayers. However, our constrained budget has been reduced further by the state's economic decline. We are dealing with a total of \$7.4 mil. budget reduction, which is a 21% cut of our General Funds. It will increase to \$7.8 mil. in 2011. Of the \$32 mil. received by the UH System in stimulus funding, UH Hilo received only \$300,000. Enrollment has increased 48% since 1998; UH Hilo's 3,974 headcount in Fall 2009 was the highest in our history despite the budget reductions.

The impact of the 21% cut was great. It was not possible to keep these measures from adversely affecting services to our students. The pain is projected to be worse next year. We used multiple strategies, both one time and permanent, to address the large budget reduction to our small campus. They included using new tuition funds, research & other funds to make up the loss of general funds, deferring hiring, elimination of temporary positions, freezing civil service positions, and collective bargaining and efficiency measures. Budget reduction priorities and recommendations were made via campus wide committees and collaborative processes.

**We are taking the following steps:**

- Our **Sustainability Taskforce** is implementing strategies to reduce energy use, utility costs, and the consumption of natural resources. Several Photovoltaic projects to place panels on roofs for electricity savings are planned, with an initial pilot project for sustainability funded through Title III grants.
- Our new **Cost Savings Initiatives** are examining campus operations to improve efficiencies and save money. Areas identified for reductions are travel, supplies, service agreements, equipment, among many others.
- Our **Long Range Budget Planning Committee** has worked diligently to plan use of resources and encourage innovative budget efficiencies. We are addressing student needs in creative and cost effective ways. For example, salvaging leftover computer parts and elbow grease, our dean of the College of Arts and Sciences and IT staff recently equipped a dormitory cafeteria so it could double as a large-capacity classroom certain hours of the day and offer a much needed class to students that we would not have otherwise been able to do for lack of space and equipment. To be more efficient and user friendly to students, we merged all of our various academic support services into a center, which offers tutoring & other instructional services in the library which is a very efficient way to offer these services. Students know they can go to one place, the library, to access a rich variety of resources to help them learn.
- We are **deferring hiring in all types of positions** such as faculty positions, after careful prioritization. Some of the faculty positions are biology, chemistry, psychology, communications, english and other areas.
- **As cuts were being considered, we protected certain priorities** to keep momentum such as the College of Hawaiian Language Building and for critical initiatives such as student success, basic infrastructure, security, classroom instruction, addressing enrollment growth, and deferred repairs and maintenance.
- Our campus wide **Enrollment Management Implementation Team** examined ways to more strategically recruit, admit, enroll and graduate students, as well as maximize tuition revenues. This team has implemented efficiencies to ensure that course capacity matches our students' demand.
- We are generating other revenue such as **obtaining research and educational grants** to strengthen and supplement available resources for instructional and student academic support services.

We still found these cuts to be quite painful. We do not want further reductions because it will harm our students and community. For every \$1.00 in state investment, UH Hilo generates an additional \$3.06 in direct expenditures.<sup>1</sup> We are a crucial contributor to the financial health of the Big Island, an area still struggling to overcome rural poverty. UH Hilo is deeply imbedded in our community and highly involved in fostering its economic development. We oversee the statewide Small Business Development Center and the Office of Mauna Kea Management, both of which are important to the state's economy. If we would have to endure additional cuts, our student body, which has a high percentage of first-generation and Native Hawaiian college students, will not be able to graduate in a timely manner nor get their needed course offerings.

We want to thank you for allowing us to present this testimony. We will continue to be a partner with you as UH Hilo evolves into a world-class comprehensive university meeting state higher education and workforce needs in the years to come.

<sup>1</sup> David Hammes, UH Hilo Economics Professor, February 2008.