

EXECUTIVE ORDER NO. 20-06

APPROPRIATED GENERAL FUND POSITIONS AT THE UNIVERSITY OF HAWAI'I

WHEREAS, in 1995, the Legislature authorized the establishment of the Tuition and Fees Special Fund (TFSF) and permitted the University to retain and expend revenues from tuition in order to "...maintain and improve the University's programs and operations" (Act 161, SLH 1995);

WHEREAS, while Act 161, SLH 1995 specified that tuition revenue collected "shall not be used as a justification for reducing any budget request or allotment to the University of Hawai'i unless the university requests such a reduction," subsequent to enactment and the statutory creation of the Tuition and Fees Special Fund, the State of Hawai'i has repeatedly reduced the base general fund appropriations and/or allocations to the University of Hawaii due to reductions in statewide tax revenues during periods of economic decline;

WHEREAS, following the economic decline that began in 2005 and the associated reduction in statewide tax collections, the State of Hawai'i reduced general fund appropriations and/or allocations to the University of Hawai'i. At that point it became apparent that the University of Hawai'i was no longer receiving enough general funds to cover the direct payroll costs of all of the legislatively appropriated, general fund positions.

WHEREAS, during FY 2006, to avoid increased tuition rates or reduced services arising from reductions in force for University personnel occupying legislatively-appropriated general fund positions for which adequate general funds were no longer being provided to UH, the State authorized the University to establish a non-imposed S397 TFSF Appropriation Code as a means to enable use by the State of TFSF resources to fund the direct payroll of appropriated general fund positions without requiring TFSF to also fund the fringe benefit costs for those same positions. In other words, direct payroll costs for legislatively-appropriated general fund positions for which general funds were no longer sufficient could thus be charged to this new S397 TFSF Appropriation Code and the associated fringe benefit costs would continue to be covered by the State.

WHEREAS, for over 15 years, through multiple administrations and legislative sessions, the State Department of Accounting and General Services has maintained the S397 TFSF

Appropriation Code with full agreement, accounting and transparency, and the State has continued to pay for fringe benefit costs for appropriated general fund positions at the University of Hawai'i, with the University covering direct salary costs with TFSF.

WHEREAS, for over 15 years and through multiple administrations and legislative sessions, the Department of Accounting and General Services has recognized that the payroll costs charged using the S397 TFSF Appropriation Code for appropriated general fund positions are non-imposed and has continued to treat payroll charged to these accounts in the same manner that it treats payroll for appropriated general fund positions charged to general fund accounts.

WHEREAS, the use of the S397 TFSF Appropriation Code has enabled a form of "cost-sharing" for overall personnel expenses between State general funds and the tuition revenue generated by the University of Hawai'i for appropriated general fund positions for which general funds are no longer made available.

WHEREAS, the "cost-sharing" program established through the use of the S397 TFSF Appropriation Code has proven to be beneficial to both the State of Hawai'i and University of Hawai'i.

NOW THEREFORE, by the authority vested in me by the Constitution and the laws of the State of Hawaii, I, David Y. Ige, Governor of the State of Hawaii, hereby order:

The University of Hawaii may continue to use funds from the Tuition and Fees Special Fund to pay direct salaries of positions authorized by the Legislature as general fund appropriated positions under the S397 TFSF Appropriation Code.

For those appropriated general fund positions of the University of Hawai'i for which there are no longer adequate general funds appropriated, the University of Hawai'i may use the Tuition and Fees Special Fund to pay for salaries of those positions, and in turn, the Department of Accounting and General Services, shall designate those positions as "non-imposed" for fringe expense, and payroll charged to these accounts shall be treated in the same manner as payroll charged to general fund accounts.

Only permanent positions legislatively authorized as appropriated general fund positions are eligible for

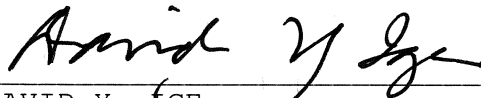
consideration and use of the S397 TFSF Appropriation Code formalized under this Executive Order.

The Department of Accounting and General Services shall create and document its operating procedures to effectuate the direction of this Executive Order.

The University of Hawai'i shall create and document its operating procedures to be in conformance with those requirements of the Department of Accounting and General Services.


IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Hawai'i.

Done at the State Capitol,
this 12th day of August, 2020



DAVID Y. IGE
Governor of the State of Hawai'i

APPROVED AS TO FORM:



CLARE E. CONNORS
Attorney General
State of Hawai'i