

EXECUTIVE ORDER NO. 22-07

**(Rescinding Executive Order No. 20-06
Regarding Appropriated General Fund Positions at the University of Hawai'i)**

WHEREAS, on August 12, 2020, the Governor signed Executive Order No. 20-06, which expressly recognized and authorized the historical practice of the State of Hawai'i to use the S397 Tuition and Fees Special Fund (TFSF) Appropriation Code (the TFSF mechanism) as a form of "cost-sharing", for authorized University of Hawai'i (UH) general fund positions for which general funds are no longer made available or were insufficient for the subject annual payroll;

WHEREAS, the TFSF mechanism enables the use by the State of the TFSF resources to fund the direct payroll of appropriated general fund positions without requiring the TFSF to also fund the fringe benefit costs for those same positions. In other words, the direct payroll costs for legislatively-appropriated general fund positions for which general funds were no longer sufficient could thus be charged to the TFSF mechanism and the associated fringe benefit costs would continue to be covered by the State;

WHEREAS, for over 15 years, through multiple administrations and legislatures, the TFSF mechanism allowed UH to use funds from the TFSF to pay for salaries of general fund authorized positions in the budget for which insufficient general funds had been appropriated by the Legislature, with the State paying and waiving the reimbursement for the associated fringe benefit expense for those general fund authorized positions;

WHEREAS, even in the face of increasing state fringe benefit rates that are completely outside its control or influence, UH has proactively reduced the use of the TFSF mechanism, and has agreed to continue to limit its use;

WHEREAS, Executive Order 20-06 was issued in order to ensure that UH and the State were able to maintain the historical practice of the TFSF mechanism to preserve the current levels of government operations and services at UH;

WHEREAS, coupled with UH's demonstrated success in managing and reducing its reliance on the TFSF mechanism, UH and the State have developed several approaches and plans that will be implemented to address the TFSF mechanism and maintain the level of government operations and services at UH;

WHEREAS, UH and the State will prepare various budget approaches that will provide appropriate budget funding to address the future need for the TFSF mechanism; and

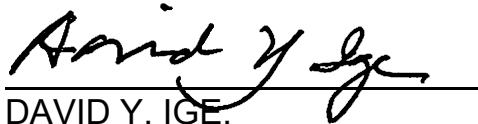
WHEREAS, UH and the State will also propose legislation for consideration by the 2023 Legislature that would codify the TFSF mechanism's approach to cost-sharing in statute.

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:

Executive Order No. 20-06 is hereby rescinded as it is no longer necessary.

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, Honolulu,
State of Hawai'i, this 19th day of
October, 2022



DAVID Y. IGE,
Governor of Hawai'i

APPROVED AS TO FORM:



Holly. T. Shikada
Attorney General
State of Hawai'i