UNIVERSITY OF HAWAIʻI SYSTEM

TESTIMONY

HB 1866
RELATING TO EDUCATION

Testimony Presented Before the
House Committee on Education
House Committee on Higher Education

January 25, 2006

by

Howard Todo
Chief Financial Officer
University of Hawaii
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Chairs Takumi and Waters and Vice Chairs Berg and Shimabukuro and Members of
the Committees:

Re: HB 1866 – RELATING TO EDUCATION

The purpose of the bill is to repeal the sunset provision contained in section 12 of

Act 321, Session Laws of Hawaii 1986 was one of several laws that provided the
University of Hawaii and the Department of Education with greater autonomy over
internal operations. It allowed the University to assume authority and responsibility
for all matters related to the acquisition of goods and services, pre-audit payments,
fund accounting, and business and accounting forms. Act 321 also provided the
Board of Regents of the University of Hawaii with the authorization to approve
certain exceptions to statutory competitive bidding requirements and authorized the
University to install its own accounting system in conformity with generally accepted
accounting principles as applied to colleges and universities. However, the
provisions of Act 321 also included a sunset provision that was subsequently

Since 1986, the University of Hawaii has used the greater flexibility afforded by Act
321 to effectively increase efficiency in financial administration. Therefore, the
University believes that it has successfully demonstrated its ability to independently
administer its financial operations with no adverse effect on the state and that the
sunset provision originally included in Act 321 is no longer necessary.

Thank you for the opportunity to testify in support of this measure.