



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

HB 987, Relating to the University of Hawai'i

Testimony Presented Before the
House Higher Education Committee

February 8, 2005

by

Sam Callejo
Vice President for Administration
University of Hawai'i

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Chairman Tommy Waters and Members of the Committee:

HB 987 proposes creating a separate budget preparation and submission process for the University; recognizing the University of Hawai'i as a state agency apart from the Executive branch; and removing the University employees from the state civil service system. The University support the intent of the HB 987 as it relates to providing the University greater flexibility in the management and administration of the University.

From a budget preparation and execution perspective, HB 987 would place the University in the same category as the Legislature and the Judiciary. We believe that this is consistent with Article X, Section 6 of the State Constitution as it relates to the authority of the Board of Regents to formulate policy and exercise control over the internal structure, management and operation of the University. Therefore, the University supports this measure.

We do however, recommend that this bill be amended to clearly exempt the University from the allotment system as described in Section 37-33, Hawaii Revised Statutes and submit the following language for your consideration.

“§37-33 Funds to which allotment system applies. Sections 37-31 to 37-42 relating to the allotment system shall apply to all appropriations

(including standing, continuing, or annual appropriations and special funds) for all departments and establishments, but shall not apply to refund accounts ~~[nəʔ-tə]~~ , appropriations for the ~~[eəʊts-əʔ]~~ judiciary, the legislature and the University of Hawaii ~~[nəʔ]~~ and to payment of unemployment compensation benefits. In the cases of capital improvements and in other cases where periodical allotments are impracticable, the director of finance may dispense therewith and prescribe such regulations as will insure proper application and encumbering of funds. Subject to section 37-40, emergency or contingent funds, revolving funds, and trust funds, shall be subject to such regulations as the director may prescribe for controlling expenditures and encumbering the funds.

Finally, while the University supports any measure that would provide it with greater management control over its employees, it does have reservations relating to the exemption of University personnel from the state's civil service. The proposed effective date of June 29, 2005 would not provide the University with sufficient time to develop a classification system, recruitment procedures, and personnel policies for these employees. The University would also have to review its current staffing to determine the number of additional personnel required to take on these new responsibilities and to fill such positions.

Thank you for the opportunity to testify on this bill.