



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

HB 1866
RELATING TO EDUCATION

Testimony Presented Before the
House Finance Committee

February 27, 2006

by

Howard Todo
Chief Financial Officer
University of Hawaii

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Re: HB 1866 – RELATING TO EDUCATION

Chair Takamine, Vice Chair Kawakami and Members of the Committee:

The purpose of the bill is to repeal the sunset provision contained in section 12 of Act 321, Session Laws of Hawaii 1986.

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 extended to June 30, 2006 by Act 137, Session Laws of Hawaii 2005.

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.