



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

SB 898 SD1
RELATING TO THE UNIVERSITY OF HAWAII

Testimony Presented Before the
House Committee on Higher Education

March 17, 2005

by

Sam Callejo
Vice President for Administration
University of Hawaii System

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Chair Waters and Members of the Committee:

Re: SB 898 SD1– RELATING TO UNIVERSITY OF HAWAII

The University of Hawaii supports the passage of SB 898 SD1 with amendments. The purpose of which, in its current form, is to extend Act 321, Session Laws of Hawaii 1986 Regular Session, relating to UH financial administration, to June 30, 2006.

The University of Hawaii respectfully request that the bill be amended to remove the June 30, 2006 sunset. 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 its 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, 2005 by Act 115, SLH 1998.

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.