



UNIVERSITY OF HAWAI'I SYSTEM

TESTIMONY

SB 2389 RELATING TO CHAPTER 40, HAWAII REVISED STATUTES

Testimony Presented Before the
Senate Committee on Transportation and Government Operations

February 13, 2006

by

Howard Todo
Chief Financial Officer
University of Hawaii

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Chair Inouye, Vice Chair Espero and Members of the Committee:

The University of Hawaii supports the passage of SB 2389. The purpose of this bill is to grant continued fiscal flexibility for the University of Hawaii.

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 by amending various sections in Chapter 40, Hawaii Revised Statutes. 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. It 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.

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 Hawaii Revised Statutes should be permanently amended to reflect this.

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