

STAND. COM. REP. NO. 768

Honolulu, Hawaii

MAR 01 2013

RE: S.B. No. 1384  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1384, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose and intent of this measure is to change the way legal services are obtained by the University of Hawaii.

Specifically, this measure:

- (1) Limits to one the number of attorneys the Board of Regents may appoint to serve as the University General Counsel;
- (2) Caps the compensation of the University General Counsel at the compensation amount paid to the Attorney General;
- (3) Allows the Board of Regents to contract with independent attorneys solely in cases where the University General Counsel and the Attorney General lack sufficient expertise, and requires that any contracted attorney consult with and work in conjunction with the Attorney General; and
- (4) Charges the Board of Regents with direct oversight of the University General Counsel.



Your Committee received written comments in opposition to this measure from the University of Hawaii System.

Your Committee finds that a Senate Special Committee on Accountability found that the University of Hawaii's (University) practice of contracting with independent attorneys was extensive and a wasteful use of public funds. Your Committee also finds that the University Board of Regents should not contract for legal work or hire independent attorneys unless the University General Counsel's Office or the Department of the Attorney General lack the expertise to handle the matter at hand.

Your Committee believes that the University Board of Regents should work with the Department of the Attorney General to review its policies, and potentially establish new policies, to ensure that the existing legal resources of the University General Counsel's Office and the Department of the Attorney General are more fully utilized to meet the legal needs of the University. Your Committee wishes to emphasize that all legal services of the University should be under the control of the University Board of Regents.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the changes to the composition of the Office of the University General Counsel and the cap on the compensation of the University General Counsel;
- (2) Deleting provisions authorizing the Board of Regents to contract with independent attorneys;
- (3) Exempting the Board of Regents, rather than the University of Hawaii as a whole, from the prohibition against contracting with independent attorneys; and
- (4) Requiring the Auditor to review the contracts with attorneys for legal services entered into by the University of Hawaii within the past five years to examine their provisions, scope, justification, and underlying policies, and report to the Legislature regarding the Auditor's findings.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B.



No. 1384, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1384, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,



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DAVID Y. ICE, Chair



The Senate  
Twenty-Seventh Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 1384, SD1</b>	Committee Referral: <b>HPE/JDL, WAM</b>	Date: <b>2-27-13</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
ESPERO, Will		✓		
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.				✓
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.	✓			
TOKUDA, Jill N.	✓			
SLOM, Sam		✓		
<b>TOTAL</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes