
A BILL FOR AN ACT

RELATING TO THE BOARD OF REGENTS OF THE UNIVERSITY OF HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 84-17, Hawaii Revised Statutes, is
2 amended by amending subsections (c) and (d) to read as follows:

3 "(c) The following persons shall file annually with the
4 state ethics commission a disclosure of financial interests:

5 (1) The governor, the lieutenant governor, the members of
6 the legislature, and delegates to the constitutional
7 convention; provided that delegates to the
8 constitutional convention shall only be required to
9 file initial disclosures;

10 (2) The directors and their deputies, the division chiefs,
11 the executive directors and the executive secretaries
12 and their deputies, the purchasing agents and the
13 fiscal officers, regardless of the titles by which the
14 foregoing persons are designated, of every state
15 agency and department;

16 (3) The permanent employees of the legislature and its
17 service agencies, other than persons employed in
18 clerical, secretarial, or similar positions;



- 1 (4) The administrative director of the State, and the
2 assistants in the office of the governor and the
3 lieutenant governor, other than persons employed in
4 clerical, secretarial, or similar positions;
- 5 (5) The hearings officers of every state agency and
6 department;
- 7 (6) The members of the board of regents of the University
8 of Hawaii;
- 9 ~~(6)~~ (7) The president, the vice presidents, assistant
10 vice presidents, the chancellors, and the provosts of
11 the University of Hawaii and its community colleges;
- 12 ~~(7)~~ (8) The superintendent, the deputy superintendent,
13 the assistant superintendents, the complex area
14 superintendents, the state librarian, and the deputy
15 state librarian of the department of education;
- 16 ~~(8)~~ (9) The administrative director and the deputy
17 director of the courts;
- 18 ~~(9)~~ (10) The members of every state board or commission
19 whose original terms of office are for periods
20 exceeding one year and whose functions are not solely
21 advisory;



1 ~~[(10)]~~ (11) Candidates for state elective offices, including
2 candidates for election to the constitutional
3 convention, provided that candidates shall only be
4 required to file initial disclosures; and

5 ~~[(11)]~~ (12) The administrator and assistant administrator of
6 the office of Hawaiian affairs.

7 (d) The financial disclosure statements of the following
8 persons shall be public records and available for inspection and
9 duplication:

10 (1) The governor, the lieutenant governor, the members of
11 the legislature, candidates for and delegates to the
12 constitutional convention, the trustees of the office
13 of Hawaiian affairs, and candidates for state elective
14 offices;

15 (2) The directors of the state departments and their
16 deputies, regardless of the titles by which the
17 foregoing persons are designated; provided that with
18 respect to the department of the attorney general, the
19 foregoing shall apply only to the attorney general and
20 the first deputy attorney general;

21 (3) The administrative director of the State;



1 (4) The members of the board of regents of the University
2 of Hawaii;

3 [~~(4)~~] (5) The president, the vice presidents, the assistant
4 vice presidents, the chancellors, and the provosts of
5 the University of Hawaii;

6 [~~(5)~~] (6) The members of the board of education and the
7 superintendent, the deputy superintendent, the state
8 librarian, and the deputy state librarian of the
9 department of education;

10 [~~(6)~~] (7) The administrative director and the deputy
11 director of the courts; and

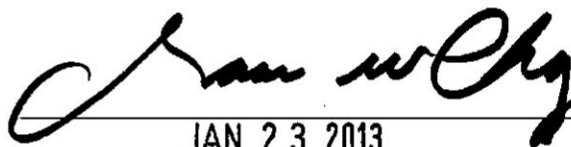
12 [~~(7)~~] (8) The administrator and the assistant administrator
13 of the office of Hawaiian affairs."

14 SECTION 2. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 3. This Act shall take effect upon its approval.

17

INTRODUCED BY:


JAN 23 2013



H.B. NO. 1072

Report Title:

University of Hawaii; Board of Regents; Financial Disclosure

Description:

Requires members of the board of regents of the University of Hawaii to file an annual disclosure of financial interests with the state ethics commission. Makes the disclosures public record and available for inspection and duplication.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.





HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

February 5, 2013

The Honorable Isaac W. Choy, Chair
The Honorable Linda Ichiyama, Vice Chair
Honorable Members
House Committee on Higher Education
Hawaii State Capitol, Room 327
415 South Beretania Street
Honolulu, Hawaii 96813

Re: **Testimony on House Bill No. 1072, Relating to the Board of Regents of the University of Hawaii**

Hearing: Tuesday, February 5, 2013, 2:00 p.m.
State Capitol, Conference Room 309

Testimony From: Hawaii State Ethics Commission

The Honorable Isaac W. Choy, Chair; The Honorable Linda Ichiyama, Vice Chair;
and Honorable Members of the House Committee on Higher Education:

Thank you for the opportunity to testify on House Bill No. 1072, Relating to the Board of Regents of the University of Hawaii. The Hawaii State Ethics Commission (“Commission”) strongly supports House Bill No. 1072 with respect to its purpose to require that the financial disclosure statements filed with the Commission by members of the Board of Regents are public records and available for inspection and duplication.

House Bill No. 1072 proposes to amend section 84-17 of the State Ethics Code, Chapter 84, Hawaii Revised Statutes (“HRS”) by (1) requiring members of the Board of Regents to file annually a disclosure of financial interests with the Commission; and (2) requiring that the financial disclosure statements filed by members of the Board of Regents are public records and available for inspection and duplication.

The Commission wishes to point out that the current law, HRS section 84-17, already requires members of the Board of Regents to file financial disclosure statements with the Commission. Pursuant to HRS section 84-17(c)(9), persons who must file annual financial disclosure statements include the “members of every state board or commission whose original terms of office are for periods exceeding one year and whose functions are

not solely advisory.” This category of persons includes members of the Board of Regents. Thus, members of the Board of Regents currently file annual financial disclosure statements with the Commission. Under the current law, however, their financial disclosure statements are confidential.¹

The Commission strongly agrees with the intent of House Bill No. 1072 to require that the financial disclosure statements of members of the Board of Regents be public records. The Board of Regents is responsible for the operations of the University of Hawaii and serves in a capacity akin to a state department director. Under the current law, the directors of state departments are required to file public financial disclosure statements.² Because the Board of Regents is vested with significant and substantial authority, the Commission believes that its members should be required to file public financial disclosure statements.

Moreover, the president, the vice presidents, the assistant vice presidents, the chancellors, and the provosts of the University of Hawaii--all of whom are subordinate to the Board of Regents--are required to file public financial disclosure statements,³ yet members of the Board of Regents currently are not subject to this requirement. The Commission believes it is an anomaly for members of the Board of Regents not to file public financial disclosure statements.

The primary purpose of the financial disclosure law is to provide transparency into the financial interests of legislators, state officials, state employees, and state board members to help identify potential conflicts of interests. The Commission receives almost 1,800 financial disclosure statements annually, the vast majority of which are confidential. By law, less than 200 financial disclosure statements are accessible by the public. Unfortunately, due to the Commission’s limited resources and, in many cases, lack of complete understanding as to a person’s official duties, the Commission’s ability to review all financial disclosure filings and to determine whether a person has a conflict of interest may be quite limited. For that reason, generally, the public is the best and most effective means to identify possible conflicts of interest.

¹ HRS section 84-17(d) identifies persons whose financial disclosure statements are public records. Members of the Board of Regents are not included among those persons. The Commission has introduced legislation to require that members of the Board of Regents, as well as members of several other state boards who currently file confidential financial disclosure statements, file public financial disclosure statements. See House Bill No. 207.

² HRS section 84-17(d)(2).

³ HRS section 84-17(d)(4).

The Honorable Isaac W. Choy, Chair
The Honorable Linda Ichiyama, Vice Chair
Honorable Members, House Committee on Higher Education
February 5, 2013
Page 3

Given the underlying purpose of the State Ethics Code to foster public confidence in state government, the Commission believes that allowing public review of the financial disclosure statements filed by the members of the Board of Regents of the University of Hawaii is consistent with that purpose. The Commission therefore strongly supports House Bill No. 1072, with respect to requiring that the financial disclosure statements filed with the Commission by members of the Board of Regents are public records and available for inspection and duplication.

Thank you for considering the Commission's testimony.