

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 114
H.D. 3
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 H.B. No. 114, H.D. 3, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HIGHER EDUCATION,"

begs leave to report as follows:

The purpose and intent of this measure is to improve public accountability at the University of Hawaii.

More specifically, this measure:

- (1) Requires all University of Hawaii procurements for construction, including consultant services, to be subject to the control of, and performed by, the Department of Accounting and General Services;
- (2) Requires the Administrator of the State Procurement Office to submit a report to the Legislature on the transparency, efficiency, and compliance of the University of Hawaii's procurement of construction contracts and construction-related consultant services; and
- (3) Establishes an independent audit committee within the Board of Regents of the University of Hawaii.

Your Committee received written comments in opposition to this measure from two individuals.



Your Committee received written comments on this measure from the Department of Accounting and General Services, the State Procurement Office, and the Office of Internal Audit of the University of Hawaii.

Your Committee finds that the prudent and transparent management of public funds by the University of Hawaii is a matter of statewide concern.

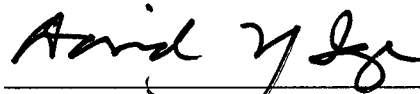
Your Committee has amended this measure by:

- (1) Amending section 304A-2672 instead of section 304A-105, Hawaii Revised Statutes, regarding procurements, to further specify that the procurements will be supervised, rather than controlled and performed, by the Department of Accounting and General Services, and that the supervision will be for construction-related procurements other than repair and maintenance or continuing ongoing university projects;
- (2) Making a conforming amendment to section 103D-203, Hawaii Revised Statutes, to identify the chief procurement officer for procurements for construction as provided under section 304A-2672, Hawaii Revised Statutes;
- (3) Statutorily placing the independent audit committee in its own subpart in part I of chapter 304A, rather than in the existing subpart A in part I of chapter 304A, Hawaii Revised Statutes;
- (4) Clarifying provisions relating to internal audit services, whistleblower protections, and annual audits;
- (5) Appropriating funds to the Department of Accounting and General Services for additional staff positions;
- (6) Changing the effective date to July 1, 2050, to facilitate continued discussion; and
- (7) Making technical nonsubstantive amendments for the purposes of clarity, style, and consistency.



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 H.B. No. 114, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 114, H.D. 3, S.D. 2.

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



DAVID Y. IGE, Chair



The Senate
 Twenty-Seventh Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
HB 114, HD3, SD1	HPE/EGH, WAM	4-1-13		
<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	/			
TOTAL	12	0	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes