
A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The legislature finds that the University of
2 Hawaii system plays a vital role in the State as its largest
3 higher education organization. For many children and adults in
4 the State, the University of Hawaii system offers the most
5 convenient and affordable access to higher education.
6 Additionally, with its research positions, the University of
7 Hawaii system attracts a variety of scholars and academics from
8 across the world to conduct research, and this enhances the
9 system's global reputation. Due to the important roles that the
10 University of Hawaii system plays in Hawaii, ensuring effective
11 management in the system is a matter of statewide concern.

12 The purpose of this Act is to require the auditor to
13 conduct a comprehensive audit of the University of Hawaii system
14 and recommend whether certain parts of the system should be
15 separated from one another.

16 SECTION 2. (a) The auditor shall conduct an audit of the
17 University of Hawaii system to determine whether the University



1 of Hawaii system is efficiently managed relative to its size.

2 More specifically, the audit shall:

3 (1) Be a comprehensive management, financial,
4 construction, personnel, and academic audit; and

5 (2) Recommend, based on its findings, whether separating
6 the community colleges and four-year universities into
7 different systems would increase the efficiency of
8 each institution.

9 (b) The auditor shall submit a report of its findings and
10 recommendations, including any proposed legislation, to the
11 legislature no later than twenty days prior to the convening of
12 the regular session of 2017.

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$ or so much
15 thereof as may be necessary for fiscal year 2016-2017 to conduct
16 a comprehensive audit of the University of Hawaii system.

17 The sum appropriated shall be expended by the auditor for
18 the purposes of this Act.

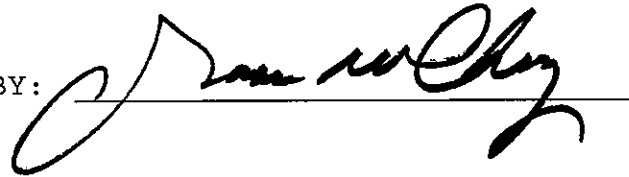


H.B. NO. 1624

1 SECTION 4. This Act shall take effect on July 1, 2016.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Dan Welch", is written over a horizontal line. The signature is cursive and extends above and below the line.

JAN 20 2016



H.B. NO. 1624

Report Title:

University of Hawaii; Auditor; Appropriation

Description:

Requires the auditor to conduct a comprehensive audit of the University of Hawaii system. Makes an appropriation.

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





UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Testimony Presented Before the
House Committee on Higher Education
February 2, 2016 at 2:00 p.m., Room 309

by
Kalbert K. Young
Vice President for Budget & Finance/Chief Financial Officer
University of Hawai'i

HB 1624 – RELATING TO THE UNIVERSITY OF HAWAII

Chair Choy, Vice Chair Ichiyama, and Members of the Committee on Higher Education:

Thank you for this opportunity to testify on HB1624, Relating to the University of Hawaii, which requires the State Auditor to conduct a comprehensive audit of the UH system and recommend whether separating the Community Colleges and four-year universities into different systems would increase the efficiency of each institution.

Article X, Section 6 of the Hawai'i State Constitution establishes that the Board of Regents "shall have exclusive jurisdiction over the internal structure, management, and operation of the university." We do recognize that autonomy must be exercised with transparency, and in that regard we would cooperate with the State Auditor in any way possible, as we do now on the wide ranging special audits conducted now in addition to our federally mandated external audit.

As far as generating efficiencies by separating the Community Colleges and four-year universities into different systems, such a move would incur significant additional costs for governance and central administrative services that are now shared within the University system. There would also likely need to be a central coordinating board for higher education. This approach also runs counter to the more common trends on the mainland that are seeking to consolidate community college and university systems in order to generate administrative efficiencies, reduce program duplication, and better ensure student transfer.

The University does not object to this measure, however, we do not believe this will be a fruitful use of the resources of the State Auditor. Thank you for your time and consideration.

ichiyama2-Brandon

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HB1624

Submitted on: 2/1/2016

Testimony for HED on Feb 2, 2016 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Unhee Lim	Individual	Support	No

Comments:

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ichiyama2-Brandon

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HB1624

Submitted on: 2/1/2016

Testimony for HED on Feb 2, 2016 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Bret Polopolus-Meredith	Individual	Support	No

Comments:

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