

Honolulu, Hawaii

MAR 24 2017

RE: H.B. No. 424
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committees on Higher Education and Government Operations, to which was referred H.B. No. 424, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to reinstate and restore full authority to the President of the University of Hawaii to act as the University's chief procurement officer for all procurement contracts under the Hawaii Public Procurement Code.

Your Committees received testimony in support of this measure from the University of Hawai'i System, State Procurement Office, and University of Hawaii Professional Assembly.

Prior to the hearing on this measure, your Committees posted and made available for public review a proposed S.D. 1, which amended this measure by:

- (1) Inserting language to require that, upon expiration of the current terms of the two at-large members of the Board of Regents of the University of Hawaii, two members of the Board must be faculty members, one of which must be faculty at one of the University of Hawaii's community colleges and the other of which must



be faculty at the University of Hawaii at Manoa, University of Hawaii at Hilo, or University of Hawaii West Oahu; provided that the two faculty members may not be faculty at campuses in the same county;

- (2) Inserting a provision to prohibit the University of Hawaii Board of Regents from increasing tuition fees; and
- (3) Requiring the University of Hawaii to submit a report to the Legislature prior to the Regular Session of 2018 with an analysis of whether tuition increases are helping address the University's repair and maintenance backlog.

Your Committees received testimony in support of the proposed S.D. 1 from the University of Hawaii Professional Assembly and nine individuals. Your Committees received testimony in opposition to the proposed S.D. 1 from the University of Hawai'i System.

Your Committees find that historically, the President of the University of Hawaii has had the authority of a chief procurement officer for the University for construction contracts, but Act 87, Session Laws of Hawaii 2013, removed this authority from the President and transferred authority over those contracts to the State Procurement Office. Your Committees received testimony from the University of Hawaii that this bifurcation of the University's procurement system, depending on whether the procurement involves construction or construction related professional services, further complicates an already difficult job and requires additional coordination with the Department of Accounting and General Services. Your Committees note that the State Procurement Office issued its report to the Legislature in January 2016, as required by Act 87, which concluded that the University is conducting construction procurements in a compliant, efficient, and transparent manner. The report also mentioned several university specific procedures as best practices.

Your Committees further find that continually rising tuition rates are making higher education increasingly cost prohibitive. More specifically, your Committees find that the tuition schedule established by the Board of Regents of the University of Hawaii



has created an unreasonable increase in the cost of attendance at Hawaii's sole public university system. Your Committees note that tuition costs have been consistently and significantly on the rise, having risen over six hundred percent for resident and non-resident students since 1995. These onerous tuition costs place an undue financial burden on students and their families.

Finally, your Committees find that the University of Hawaii has not demonstrated a commitment to shared governance, and that a growing disconnect exists at the University between faculty and the administration. Your Committees are concerned that faculty at the University do not have sufficient opportunity to express their ideas or concerns to University administration, and that there is a lack of accountability for actions taken by the Board of Regents that affect the institution's valued faculty members and, subsequently, the students.

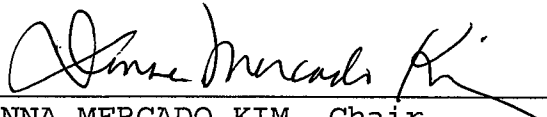
Your Committees have amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Deleting the language that required the two existing at-large members of the University of Hawaii Board of Regents to be faculty members;
- (2) Inserting language to add two ex officio nonvoting members to the University of Hawaii Board of Regents who must be faculty at the University and setting forth when names for these positions must be presented to the Governor, as well by when the Governor must make the nominations; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

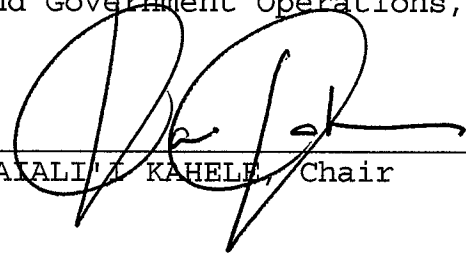
As affirmed by the records of votes of the members of your Committees on Higher Education and Government Operations that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 424, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 424, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committees on Higher Education
and Government Operations,



DONNA MERCADO KIM, Chair

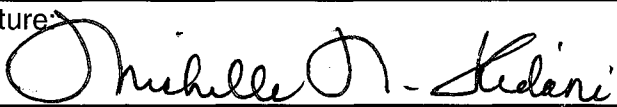


KAYALI T. KAHELE, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:*	Committee Referral:	Date:
HB 424, HD1	HRE/GVO, WAM	3/21/2017
<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
KAHELE, Kaiali'i (C)	/	
KIDANI, Michelle N. (VC)	/	
ESPERO, Will	/	
KEITH-AGARAN, Gilbert S.C.	/	
TANIGUCHI, Brian T.		/
TOTAL	4	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
		Goldenrod Committee File Copy

*Only one measure per Record of Votes

The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Government Operations
GVO

Bill / Resolution No.:* HB 424 HD1	Committee Referral: HRE/GVO, WAM	Date: 03-21-17		
<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
KIM, Donna Mercado (C)	X			
RUDERMAN, Russell E. (VC)	X			
GALUTERIA, Brickwood				X
RHOADS, Karl	X			
TOKUDA, Jill N.				X
TOTAL	3	0	0	2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes