

Honolulu, Hawaii

APR 06 2018

RE: H.B. No. 424
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 424, H.D. 1, 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 amend the laws relating to the procurement authority, governance, and financial structure of the University of Hawaii.

Specifically, this measure:

- (1) Reinstates the authority of the President of the University of Hawaii to act as the chief procurement officer of the University of Hawaii for all procurement contracts under Chapter 103D, Hawaii Revised Statutes;
- (2) Adds two faculty ex officio nonvoting members to the University of Hawaii Board of Regents;
- (3) Prohibits the University of Hawaii Board of Regents from raising tuition fees until an unspecified date; and
- (4) Requires the University of Hawaii to submit a report to the Legislature on the status of repair and maintenance costs and whether the 2018-2021 tuition increases are



assisting in addressing the repair and maintenance backlog.

Your Committee received written comments in support of this measure from the State Procurement Office and Oahu County Committee Legislative Priorities Committee, Democratic Party of Hawai'i.

Your Committee received written comments on this measure from the University of Hawaii System.

Your Committee finds that faculty representation on the University of Hawaii Board of Regents would be contradictory to the values and best practices of citizen trusteeship. Your Committee further finds that temporarily suspending the Board of Regents from raising tuition fees would severely limit the ability of the University to respond to changes in the economy and that the current process for increasing tuition, which involves multiple open meetings that allow for public input, is sufficient to address concerns regarding the rising costs of tuition.

Your Committee has amended this measure by replacing its entire contents with the provisions of Senate Bill No. 2831, Senate Draft 2. As amended, this measure retains the provisions that reinstate the authority of the President of the University of Hawaii to act as the chief procurement officer of the University of Hawaii, but otherwise differs substantively from the version of this measure as received by your Committee by:

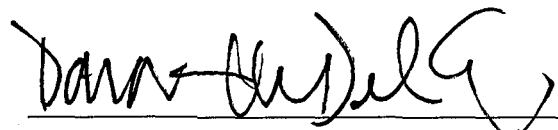
- (1) Adding the requirement that the University of Hawaii submit an annual report to the Legislature detailing a list of all capital improvement projects approved by the University of Hawaii Board of Regents, prioritized by each campus;
- (2) Deleting language that expressly provides that the reinstatement of the University President's powers as chief procurement officer shall not be applied in a manner that would be an unconstitutional impairment of an existing contract;



- (3) Deleting language that increases the composition of the University of Hawaii Board of Regents to include two faculty ex officio nonvoting members;
- (4) Deleting language that prohibits the University of Hawaii Board of Regents from raising tuition fees until an unspecified date;
- (5) Deleting language that requires the University of Hawaii Board of Regents to submit a report to the Legislature on the status of repair and maintenance costs and whether the 2018-2021 tuition increases are helping to address the repair and maintenance backlog; and
- (6) Providing that the measure will take effect on July 1, 2050, and will be repealed on June 30, 2021.

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. 424, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 424, H.D. 1, S.D. 2.

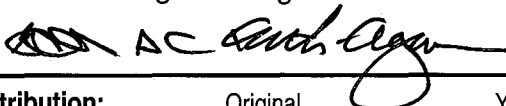
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Twenty-Ninth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB424 HDI SDI	HRE/GVO WAM	3/19/18
<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	
DELA CRUZ, Donovan M. (C)	X	
KEITH-AGARAN, Gilbert S.C. (VC)	X	
ENGLISH, J. Kalani	X	
GALUTERIA, Brickwood	X	
HARIMOTO, Breene		X
INOUE, Lorraine R.	X	
KAHELE, Kaiali'i	X	
KIDANI, Michelle N.	X	
RIVIERE, Gil	X	
SHIMABUKURO, Maile S.L.		X
WAKAI, Glenn	X	
TOTAL	9	2
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