

STAND. COM. REP. NO.

156

Honolulu, Hawaii

FEB 10 2023

RE: S.B. No. 1197
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred
S.B. No. 1197 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 designate the
Vice President for Budget and Finance and Chief Financial Officer
of the University of Hawaii as the Chief Procurement Officer for
the University.

Your Committee received testimony in support of this measure
from the Hawaii Regional Council of Carpenters and one individual.
Your Committee received testimony in opposition to this measure
from the University of Hawai'i System.

Your Committee finds that it is a matter of statewide concern
that the President of the University of Hawaii serves
simultaneously as the Chief Procurement Officer for the
University. Across the United States, the vast majority of public
higher education institutions differentiate between institutional
leadership and purchasing when assigning authority over
procurement. Whereas other institutions designate their Chief
Financial Officer as Chief Procurement Officer, the University of
Hawaii is the only institution of higher learning that
concurrently names its President as Chief Procurement Officer.



Your Committee further finds that the President's foremost interests are those of the University, whereas the foremost concern of the Chief Procurement Officer must be ethical public procurement in accordance with the Hawaii Public Procurement Code. The interests of the University may at times come into conflict with ethical public procurement practices, as evinced by the University's renovation of the Clarence T.C. Ching Athletics Complex. Therefore, the President of the University of Hawaii serving simultaneously as the Chief Procurement Officer leads to inevitable conflicts of interest. This measure eliminates these conflicts of interest by designating the Vice President of Budget and Finance and Chief Financial Officer of the University of Hawaii as the Chief Procurement Officer for the University. To effectuate this transfer of duties, an amendment to this measure is necessary to add an appropriation of funds to the University of Hawaii.


Accordingly, your Committee has amended this measure by:

- (1) Inserting an appropriation of an unspecified amount to effectuate the transfer of duties of Chief Procurement Officer for the University of Hawaii;
- (2) Inserting an appropriation of an unspecified amount for repair and maintenance of University of Hawaii campus buildings and infrastructure;
- (3) Amending section 1 to reflect its amended purpose;
- (4) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1197, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1197, S.D. 1, and be referred to your Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Higher Education,

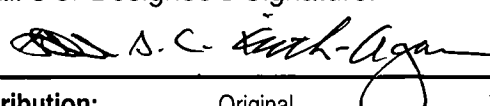


DONNA MERCADO KIM, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Higher Education
HRE

Bill / Resolution No.:* SB 1197	Committee Referral: .. HRE, JDC	Date: 2/2/23		
<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			
KIDANI, Michelle N. (VC)				X
FUKUNAGA, Carol		X		
KEITH-AGARAN, Gilbert S.C.	X			
FEVELLA, Kurt	X			
TOTAL	3	1		1
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