

STAND. COM. REP. NO.

415

Honolulu, Hawaii

February 20, 2015

RE: H.B. No. 540
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir: .

Your Committee on Higher Education, to which was referred
H.B. No. 540 entitled:

"A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII
ACCOUNTING AND FINANCIAL MANAGEMENT SYSTEM,"

begs leave to report as follows:

The purpose of this measure is to improve the accounting and
fiscal management system at the University of Hawaii by, among
other things:

- (1) Requiring the Board of Regents of the University of
Hawaii to submit to the Legislature before the end of
each fiscal quarter a program performance report showing
a comparison of actual revenues and expenditures versus
budgeted revenues and expenditures; and
- (2) Making permanent the University of Hawaii's existing
exemption from complete account control and direct
financial management by the comptroller, which includes
the University's authorization to use a separate
accounting system that is tailored to University
operations.

The University of Hawaii supported this measure.

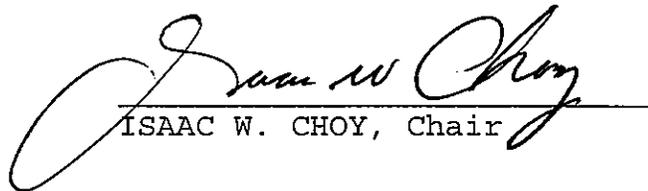


Your Committee has amended this measure by:

- (1) Specifying that the issues addressed by this measure are matters of statewide concern, within the purview of the Legislature pursuant to Article X, Section 6, of the Hawaii State Constitution;
- (2) Instead of making permanent the University's statutory exemption from account control and financial management by the comptroller, extending their sunset dates by a year;
- (3) Requiring the Auditor to examine whether the University's statutory exemption from account control and financial management by the comptroller should be made permanent and to submit a report to the Legislature; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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 H.B. No. 540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 540, H.D. 1, and be referred to the Committee on Finance.

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


ISAAC W. CHOY, Chair



