



HAWAII STATE ETHICS COMMISSION

State of Hawaii • Bishop Square, 1001 Bishop Street, ASB Tower 970 • Honolulu, Hawaii 96813

HOUSE COMMITTEE ON HIGHER EDUCATION

The Honorable Isaac W. Choy, Chair

The Honorable Linda Ichiyama, Vice Chair

H.B. No. 1532, Relating to the University of Hawaii

Hearing: Tuesday, February 2, 2016, 2:00 p.m.

The Hawaii State Ethics Commission **opposes** HB No. 1532, Relating to the University of Hawaii, which prohibits the public disclosure of financial disclosure statements filed by the University of Hawaii ("UH") Board of Regents.

In 2014, the state legislature amended the financial disclosure requirements to include members of the Board of Regents and certain other state boards and commissions (such as the state Land Use Commission, the Board of Land and Natural Resources, and the Public Utilities Commission) among those state officials whose financial disclosure statements are considered public records and are available through the Commission's website.¹ The purpose of the amendment was to increase transparency and foster public confidence in state government. The Commission believes that HB No. 1532 is directly contrary to these principles.

Members of the Board of Regents function as the governing board of Hawaii's only public institution of higher learning, and are vested with significant authority. Given the vital role that the university plays in our community, the Commission suggests that members of the Board of Regents should be held the same public disclosure requirements as other UH leaders, such as the president, vice-presidents, and chancellors.

Public disclosure promotes greater public accountability by making it easier to identify potential conflicts of interests. Due to the sheer number of filings, the number of state agencies and boards involved, as well as finite staff resources, the Commission does not have the capacity to monitor and track the substantive matters and decisions of every state board and commission in order to determine whether a particular action or decision may directly affect a board member's personal financial interest. Members of the public who are involved with and who may be impacted by the Board of Regents' decisions are more knowledgeable about the specific matters that come before the board and are, therefore, in better position to identify and raise concerns regarding potential conflicts of interests.

¹ HRS section 84-17(d)(4).

For these reasons, the State Ethics Commission strongly urges the Committee to reject HB No. 1532.

Thank you for considering the State Ethics Commission's testimony.