

STAND. COM. REP. NO. **3212**

Honolulu, Hawaii

MAR 23 2018

RE: S.C.R. No. 29
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
S.C.R. No. 29, S.D. 1, entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE STATE AUDITOR TO
CONDUCT A FINANCIAL AUDIT OF THE UNIVERSITY OF HAWAII'S
ACTIVITIES RELATED TO MAUNA KEA,"

begs leave to report as follows:

The purpose and intent of this measure is to request the
Auditor to conduct a financial audit of the University of Hawaii's
activities related to Mauna Kea.

Specifically, this measure requests the Auditor to conduct a
financial audit on the following as they relate to Mauna Kea:

- (1) The University of Hawaii System;
- (2) The University of Hawaii Institute for Astronomy;
- (3) The Research Corporation of the University of Hawaii;
- (4) The Office of Mauna Kea Management;
- (5) The Mauna Kea observatories and the Mauna Kea
observatories support services;
- (6) The Mauna Kea Visitor Information Station;



- (7) Financial expenditures from the University of Hawaii research and training revolving fund;
- (8) All contracts or professional services;
- (9) Various aspects of Mauna Kea comprehensive management plan;
- (10) The negotiation process for telescope subleases;
- (11) Opportunity costs attributed to the failure of the University of Hawaii to adequately balance observatory development with its public trust obligations; and
- (12) Funding sources.

Your Committee received written comments in support of this measure from the Office of Hawaiian Affairs; Hoomanapono Political Action Committee; and OCC Legislative Priorities Committee, Democratic Party of Hawaii.

Your Committee received written comments in opposition to this measure from the University of Hawaii System.

The Office of the Auditor submitted written comments on this measure.

Your Committee finds that Mauna Kea holds unique and significant spiritual, cultural, historical, and scientific value to Hawaii and the world. Your Committee further finds that the activities of the University of Hawaii related to Mauna Kea have been the subject of scrutiny by certain members of the public and that an independent audit of these activities will help to provide a balanced and accurate assessment of the University's stewardship of the area.

Your Committee has amended this measure by replacing the substantive contents of the audit with the audit subjects contained in Senate Bill No. 757, Senate Draft 2, Regular Session of 2018.



Specifically, your Committee has amended the title and body of the measure by requesting the Auditor to conduct the following as they relate to the University of Hawaii's activities on Mauna Kea:

- (1) A financial audit of the Office of Mauna Kea Management;
- (2) A performance audit of the Research Corporation of the University of Hawaii;
- (3) A performance audit of certain aspects of the legal affairs and university general counsel office of the University of Hawaii System; and
- (4) An organizational management structure audit of the entities that have jurisdictional authority of Mauna Kea.

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 concurs with the intent and purpose of S.C.R. No. 29, S.D. 1, as amended herein, and recommends its adoption in the form attached hereto as S.C.R. No. 29, S.D. 2.

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

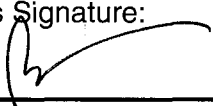


DONOVAN M. DELA CRUZ, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SCR 29, SDI	Committee Referral: HRE, WAM	Date: 3/13/18		
<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)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)				✓
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
KAHELE, Kaiali'i	✓			
KIDANI, Michelle N.	✓			
RIVIERE, Gil	✓			
SHIMABUKURO, Maile S.L.				✓
WAKAI, Glenn	✓			
TOTAL	↑			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