
A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. (a) The auditor shall conduct a financial
2 audit of the University of Hawaii's activities related to Mauna
3 Kea. The audit shall include an examination of the financial
4 records and an analysis of the financial management of the
5 University of Hawaii's activities related to Mauna Kea, limited
6 to the following:
- 7 (1) The University of Hawaii system, including but not
8 limited to the legal affairs and university general
9 counsel office of the University of Hawaii system for
10 any expenditures related to Mauna Kea;
- 11 (2) The University of Hawaii institute for astronomy;
- 12 (3) The research corporation of the University of Hawaii;
- 13 (4) The office of Mauna Kea management, including but not
14 limited to permits issued by the office to commercial
15 tour operators to conduct tours on Mauna Kea and all
16 revenues generated from those tours since 2005;



- 1 (5) The Mauna Kea observatories, including but not limited
- 2 to patents, commercial property, and intellectual
- 3 rights;
- 4 (6) Mauna Kea observatories support services;
- 5 (7) The Mauna Kea visitor information station;
- 6 (8) All financial expenditures from the University of
- 7 Hawaii research and training revolving fund as it
- 8 relates to Mauna Kea;
- 9 (9) All contracts or professional services used for but
- 10 not limited to:
- 11 (A) The Mauna Kea comprehensive management plan;
- 12 (B) Creating, implementing, and evaluating the
- 13 comprehensive management plan; and
- 14 (C) Environmental impact studies conducted since
- 15 2010;
- 16 (10) Whether and to what extent the University of Hawai'i
- 17 has meaningfully calculated the cost of implementing,
- 18 in a timely and ongoing manner, the Mauna Kea
- 19 comprehensive management plan and its subplans;
- 20 (11) Whether and to what extent the University of Hawai'i
- 21 has sought to identify revenue sources and ensure



1 sufficient funding and other resources to implement
2 the Mauna Kea comprehensive management plan and its
3 subplans in a timely manner;

4 (12) Whether and to what extent the University of Hawai'i
5 has worked to establish and implement policies for
6 leases, subleases, and permits, including through the
7 proportional capture of the monetized value of
8 benefits realized by lessees, sublessees, and
9 permittees, to generate sufficient revenues to
10 implement the Mauna Kea comprehensive management plan
11 and its subplans and to ensure that trust benefits
12 flow equally to all beneficiaries of the public trust;

13 (13) Whether and to what extent the University of Hawai'i
14 has sought to ensure a transparent and fair
15 negotiation process for telescope subleases and
16 commercial permittees that allows for meaningful
17 public review and input into the proposed use of
18 public trust resources on Mauna Kea;

19 (14) The value of the opportunity costs, including the
20 value of foregone revenue-generating opportunities, as
21 well as the value of natural and cultural resources



1 damaged, substantial bodily injury and death, and
2 property damage, that can be reasonably attributed to
3 the failure of the University of Hawai'i to adequately
4 balance observatory development with its public trust
5 obligations; and

6 (15) A comprehensive breakdown of where the University of
7 Hawai'i has obtained funding for its activities
8 relating to Mauna Kea, including a list of internal
9 funding sources, and how the University of Hawai'i has
10 specifically expended such funding and dedicated other
11 resources on activities relating to Mauna Kea,
12 including but not limited to litigation, sublease
13 solicitation and negotiation, other personnel and
14 contractor costs, and the implementation of specific
15 action items in the Mauna Kea comprehensive management
16 plan and its subplans.

17 (b) The state auditor shall have all the powers
18 established pursuant to chapter 23, Hawaii Revised Statutes,
19 including the power to subpoena any related licenses, grants,
20 commercial activities, patents, intellectual property, and
21 astronomical observation time at the University of Hawaii



1 related to Mauna Kea, and anyone who has a financial interest in
2 Mauna Kea permitted by state law.

3 SECTION 2. The auditor shall submit a report of its
4 findings and any recommendations, including any proposed
5 legislation, to the legislature no later than twenty days prior
6 to the convening of the regular session of 2020.

7 SECTION 3. There is appropriated out of the general
8 revenues of the State of Hawaii the sum of \$ or so
9 much thereof as may be necessary for fiscal year 2018-2019 for
10 the auditor to conduct a financial audit of the University of
11 Hawaii's activities related to Mauna Kea pursuant to this Act.

12 The sum appropriated shall be expended by the office of the
13 auditor for the purposes of this Act.

14 SECTION 4. This Act shall take effect on July 1, 2018.

15



S.B. NO. 757
S.D. 1

Report Title:

University of Hawaii; Mauna Kea; Audit; Appropriation

Description:

Requires the auditor to conduct a financial audit of the University of Hawaii's activities related to Mauna Kea. Requires the auditor to submit a report to the legislature. Appropriates funds. (SD1)

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