

MAR 15 2006

SENATE CONCURRENT RESOLUTION

REQUESTING A REVIEW OF THE UNIVERSITY OF HAWAII BOARD OF
REGENTS' CONFLICT OF INTEREST POLICY.

1 WHEREAS, section 84-17(c)(9), Hawaii Revised Statutes,
2 requires that the members of every state board and commission
3 whose original terms of office are for periods exceeding one
4 year and whose functions are not solely advisory must annually
5 file a disclosure of financial interest statement with the state
6 Ethics Commission; and
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8 WHEREAS, although section 84-17(d)(4), Hawaii Revised
9 Statutes, requires that the disclosure of financial interest
10 statements of the president, vice presidents, assistant vice
11 presidents, chancellors, and the provosts of University of
12 Hawaii be made part of the public record, no such requirement is
13 imposed on the University of Hawaii's Board of Regents; and
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15 WHEREAS, in the recent past, there have been numerous
16 occurrences of potential and actual conflicts of interest that
17 have arisen during University of Hawaii Board of Regent
18 proceedings; and
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20 WHEREAS, for example, during the 2003-2004 biennium, it was
21 reported in local newspapers that:
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- 23 (1) A former member of the Board of Regents and a retired
24 member of the Manoa faculty, sat in judgment of a
25 major reorganization of the campus administration by
26 the then-Chancellor that directly affected two members
27 of a regent's family;
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- 29 (2) A former board-chairperson was required to recuse
30 herself because lawyers from her law firm held several
31 lucrative contracts with the University of Hawaii;
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- 33 (3) A regent was required to recuse himself due to a
34 conflict arising from his sister representing the



1 Office of Hawaiian Affairs in its suit against the
2 National Aeronautics and Space Administration and the
3 University of Hawaii's Institute for Astronomy over
4 the W.M. Keck outrigger telescope project on the Big
5 Island; and
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7 (4) A regent resigned over a project on Maui in which his
8 business and the University of Hawaii were involved,
9 even though he had recused himself from all
10 discussions; and
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12 WHEREAS, it was recently reported in a local newspaper that
13 the Board of Regents chairwoman recused herself from decisions
14 selecting developers for more than \$150,000,000 in construction
15 contracts, citing conflicts of interest with developers bidding
16 for the projects; and
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18 WHEREAS, even though Regents may recuse themselves from
19 voting, a question still remains as to whether a Regent with a
20 declared conflict of interest should be allowed to participate
21 in discussions regarding an issue in which the Regent may have
22 an interest up until a formal vote is taken, in view of the fact
23 that the Regent's presence during the discussion may still
24 influence their fellow Regents' decisions; and
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26 WHEREAS, in addition to these incidents, in 2004, a team
27 sent by the Accrediting Commission for Senior Colleges and
28 Universities of the Western Association of Schools and Colleges
29 (WASC Senior) to evaluate the University of Hawaii's
30 accreditation and reorganization status reported that among the
31 critical problems that "threaten the long-term achievement of
32 the stated aspirations and, importantly, from the perspective of
33 WASC, raise significant issues of the performance of the
34 University under the Standards of Accreditation and threatens
35 the continued accreditation of the senior college campuses," was
36 that, among other things, the primary focus of the Board of
37 Regents is not policy making and oversight of management;
38 rather, it is primarily focused on its problems with . . .
39 conflict of interest issues and is generally underdeveloped in
40 addressing the impact of different campus missions; and
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42 WHEREAS, if the University of Hawaii Regents' financial
43 disclosure statements were made part of the public record, such
44 an action may curtail the need for the Board of Regents to



1 expend an inordinate amount of its time deliberating over
2 conflicts of interest issues; now, therefore,

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4 BE IT RESOLVED by the Senate of the Twenty-third
5 Legislature of the State of Hawaii, Regular Session of 2006, the
6 House of Representatives concurring, that the Auditor is
7 requested to review the University of Hawaii Board of Regents'
8 conflict of interest policy; and

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10 BE IT FURTHER RESOLVED that the Auditor is requested to
11 make a recommendation on whether the Regents of the University
12 of Hawaii should have their financial disclosure statements that
13 are required under section 84-17, Hawaii Revised Statutes, be
14 made available for review by the public; and

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16 BE IT FURTHER RESOLVED that the Auditor is requested to
17 submit a report on any findings and recommendations to the
18 Legislature not later than twenty days prior to the convening of
19 the Regular Session of 2007; and

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21 BE IT FURTHER RESOLVED that certified copies of this
22 Concurrent Resolution be transmitted to the Auditor and the
23 University of Hawaii Board of Regents.

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