

MAR 13 2008

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## SENATE RESOLUTION

REQUESTING AN ANNUAL REPORT WITH REGARD TO THE APPLIED RESEARCH  
LABORATORY FOR EACH OF THE NEXT THREE YEARS FROM THE  
UNIVERSITY OF HAWAII TO THE LEGISLATURE.

1           WHEREAS, this is a turning-point period of a new  
2 millennium, as the people of Hawaii and members of the  
3 Legislature reflect on the University of Hawaii during its  
4 centennial year; and  
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6           WHEREAS, the University of Hawaii has sought and received  
7 greater autonomy, which entails greater responsibility to the  
8 people of Hawaii to whom the Legislature remains accountable;  
9 and  
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11           WHEREAS, the Legislature did not receive timely financial  
12 and budget information from the University of Hawaii during the  
13 2002 and 2005 Regular Sessions and repeatedly at other times, as  
14 documented in House Concurrent Resolution No. 213 (2005); and  
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16           WHEREAS, the Legislature deemed it necessary to request the  
17 Auditor to conduct a two-phased, system-wide financial audit of  
18 the university's general and tuition funds and of the strategic  
19 and financial plan that accounts for nearly ten per cent of the  
20 State's executive budget; and  
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22           WHEREAS, the Auditor found in both phases of the audit that  
23 "the university struggles to demonstrate accountability," in  
24 both the 2005 audit of the University of Hawaii at Manoa (Report  
25 No. 05-15) and the December 2007 audit of the University of  
26 Hawaii System, Phase II (Report No. 07-08); and  
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28           WHEREAS, the Auditor in December 2007 concluded that: "the  
29 university's current strategic plan has limited value and does  
30 not promote accountability"; and  
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32           WHEREAS, the Auditor also found that "the university needs  
33 to improve its budgeting and internal financial reporting  
34 processes in order to foster accountability" and that "certain



1 [university] policies and procedures over contracts are not  
2 clear and enforced"; and

3  
4 WHEREAS, before considering the granting of full autonomy  
5 to the University of Hawaii as it enters its second century and  
6 to fulfill its responsibilities to the people of Hawaii, the  
7 Legislature must be assured that the University of Hawaii has  
8 formulated a mission, strategic vision and plans, and policies  
9 and procedures that will provide a full and complete accounting  
10 to the Legislature and the people of Hawaii; and

11  
12 WHEREAS, the people of Hawaii demand and have a right to  
13 know how their public university is being managed as it enters  
14 its second century; and

15  
16 WHEREAS, University of Hawaii President David McClain  
17 declared on February 16, 2006 that the contract with the United  
18 States Navy to establish an Applied Research Laboratory with the  
19 University of Hawaii is "clearly the most visible contract" to  
20 come before the Board of Regents "in many years"; now,  
21 therefore,

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23 BE IT RESOLVED by the Senate of the Twenty-fourth  
24 Legislature of the State of Hawaii, Regular Session of 2008,  
25 that the University of Hawaii is requested to submit a report to  
26 the Legislature, no later than twenty days prior to the  
27 convening of the 2009, 2010, and 2011 regular sessions,  
28 respectively, that each include, the following:

- 29  
30 (1) The amount of funds that the University of Hawaii  
31 received under its contract with the United States  
32 Navy for an Applied Research Laboratory, from whom the  
33 moneys were earned and for what purposes;  
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35 (2) The location of the research and what specific  
36 measures were undertaken to safeguard the health and  
37 safety of Hawaii's people and environment;  
38  
39 (3) The amount of funds spent on salaries and other  
40 personnel costs to manage the Applied Research  
41 Laboratory; the number of Applied Research Laboratory-  
42 hired personnel brought to Hawaii; the number of  
43 University of Hawaii faculty members and instructors  
44 working solely or partially on the Applied Research



1 Laboratory; and the proportion of time top university  
2 administrators, by name, devoted to Applied Research  
3 Laboratory-related affairs;  
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5 (4) The number of graduate students, undergraduates, and  
6 small businesses that were funded under the Applied  
7 Research Laboratory; and which outside companies were  
8 subcontracted, and the amounts of each of those  
9 subcontracts;  
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11 (5) The amount of funds the University gave up in  
12 licensing, patenting, commercialization rights, and  
13 the value of technology transfer by assigning to the  
14 United States government exclusive rights to Applied  
15 Research Laboratory research; and  
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17 (6) The true cost to the University for all  
18 infrastructural expenses directly and indirectly  
19 associated with the Applied Research Laboratory and  
20 the amount of the University's compensation for these  
21 costs; and  
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23 BE IT FURTHER RESOLVED that in this age of globalization,  
24 the University of Hawaii is requested to include in each of its  
25 annual reports, the Applied Research Laboratory's impact on the  
26 hiring, attracting or retaining of faculty and students,  
27 including international faculty and international students, and  
28 the projected impact of the Applied Research Laboratory's future  
29 acceptance of military research requiring United States security  
30 clearances; and  
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32 BE IT FURTHER RESOLVED that the University of Hawaii is  
33 requested to include in each of the reports, the impact that  
34 Applied Research Laboratory has had on the underlying strategic  
35 missions of the University since its founding a century ago in  
36 terms of:  
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38 (1) The discovery of knowledge for the benefit of the  
39 people of Hawaii; and  
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41 (2) The dissemination of knowledge, given that all  
42 research produced under the Applied Research  
43 Laboratory is routed through its funding agencies and  
44 owned by them; and



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BE IT FURTHER RESOLVED that the University of Hawaii is requested to disclose in each of the report how the public can gain access to the list of particulars about the Applied Research Laboratory that was requested by the Manoa Faculty Senate in its Resolution of November 14, 2007 on its policy on classified and proprietary research; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Chairperson of the Board of Regents of the University of Hawaii, the President of the University of Hawaii, the Chairperson of the Regents Candidate Advisory Council, the Chairperson of the Manoa Faculty Senate, and the Auditor.

OFFERED BY:

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