
A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII PUBLIC-PRIVATE PARTNERSHIPS.

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

1 SECTION 1. Public-private partnerships are a contractual
2 or cooperative arrangement between one or more public agencies--
3 federal, state, or local--and private-sector entities, typically
4 of a long-term nature, in which public and private entities
5 collaboratively partner on the components of projects and
6 services, sharing responsibilities to design, construct,
7 finance, manage, operate, and maintain a project, facility, or
8 program. Government agencies throughout the world, including in
9 Hawaii and across the nation, have incorporated business
10 structures that combine public and private endeavors to deliver
11 public services and facilities. The goal of public-private
12 partnerships is to capitalize on the strengths and assets of
13 each sector, public and private, to help deliver a project or
14 service more efficiently and effectively for the benefit of the
15 general public.

16 Public-private partnerships have been used across the
17 country for various public works projects. In the United



1 States, public-private partnerships are increasingly found in
2 higher education for university projects. Public-private
3 partnership university projects include student housing,
4 physical plant infrastructure, and facility maintenance, in
5 which public-private partnership ventures provide a combination
6 of financing, construction, or on-going maintenance.

7 "Public-private partnership" is a generic term for a
8 complex business structure. Each public-private partnership can
9 be arranged and structured in a manner specific to a project
10 goal or business objective. Allowing the university of Hawaii
11 to enter into public-private partnerships would benefit the
12 university and its students as well as the State as a whole.
13 The legislature finds that this issue is a matter of statewide
14 concern that falls under its purview pursuant to article X,
15 section 6, of the Hawaii State Constitution.

16 The purpose of this Act is to allow the university of
17 Hawaii to enter into public-private partnerships and create an
18 office of strategic partnerships and development to specifically
19 coordinate and manage public-private partnerships that would
20 benefit the university of Hawaii. The office of strategic
21 partnerships and development would be placed within the purview



1 of the vice president for budget and finance of the university
2 of Hawaii and would be responsible for coordinating and managing
3 all contracts, proposals, and negotiations associated with the
4 university's public-private partnerships.

5 SECTION 2. Chapter 304A, Hawaii Revised Statutes, is
6 amended by adding a new part to be appropriately designated and
7 to read as follows:

8 "PART . OFFICE OF STRATEGIC PARTNERSHIPS AND DEVELOPMENT

9 §304A- Office of strategic partnerships and development;
10 established. There is established within the university an
11 office of strategic partnerships and development to:

- 12 (1) Advance the mission of and benefit the university; and
13 (2) Increase economic development in the State through
14 collaboration between the university, government
15 agencies, and non-government entities.

16 §304A- Duties. (a) The office of strategic
17 partnerships and development shall:

- 18 (1) Create a strategic and tactical plan that includes:
19 (A) Establishment of objectives and goals for the
20 office and criteria to measure achievement of the
21 goals;



(B) Identification of potential public-private partnership projects that meet the office's objectives and goals;

(C) Development of the necessary financial resources and budgets to establish and maintain the office; and

(D) Identification of the necessary financial resources to develop, implement, and maintain the potential public-private partnership projects;

(2) Coordinate collaboration within the university and with other state and county agencies to analyze and develop public-private partnership projects based on the needs and goals of the university and the State, including proposed economic benefits; financial outcomes; social benefits; and contract terms, conditions, obligations, and responsibilities;

(3) Create and maintain a report for each public-private partnership project that analyzes the process and the results, including the following:

(A) Proposed economic benefits;

(B) Financial outcomes;



1 (C) Social benefits; and

2 (D) Contract terms, conditions, obligations, and
3 responsibilities;

4 (4) Develop, analyze, and evaluate plans for public-
5 private partnership projects, including objectives and
6 criteria to measure the accomplishment of objectives,
7 develop and implement programs through which the
8 objectives are to be attained, and determine financial
9 requirements for public resources based on the needs
10 and goals of the university and the State;

11 (5) Assist the university in evaluating public-private
12 partnerships and facilitate the timely and effective
13 implementation and completion of project milestones
14 and objectives;

15 (6) Develop programs to continuously encourage public-
16 private partnership projects that will result in the
17 development of improved infrastructure, services, and
18 programs at the university;

19 (7) Formulate and assist the university in formulating
20 specific program and project proposals to solicit
21 public-private partnerships; and



1 (8) Oversee and implement each public-private partnership
2 project.

3 (b) To enter into a public-private partnership, the office
4 of strategic partnerships and development shall ensure the
5 following conditions are met:

6 (1) The board of regents has approved any agreement prior
7 to obligating the university or any of its assets as a
8 contribution toward a declared public-private
9 partnership; and

10 (2) The board of regents has approved any lease of
11 university land to a private entity in accordance with
12 applicable policies of the board of regents."

13 SECTION 3. Section 304A-105, Hawaii Revised Statutes, is
14 amended by amending subsection (a) to read as follows:

15 "(a) The board of regents shall have management and
16 control of the general affairs, and exclusive jurisdiction over
17 the internal structure, management, and operation of the
18 university. The board may:

19 (1) Appoint a treasurer and other officers as it deems
20 necessary;



1 (2) Authorize any officer, elected or appointed by it, to
2 approve and sign on its behalf any voucher or other
3 document that the board may approve and sign;

4 (3) Delegate to the president or the president's designee
5 the authority to render the final decision in
6 contested case proceedings subject to chapter 91, as
7 it deems appropriate;

8 (4) Purchase or otherwise acquire lands, buildings,
9 appliances, and other property for the purposes of the
10 university; [and]

11 (5) Delegate to the president and vice president of budget
12 and finance the authority to conduct activities and
13 enter into business relationships as the board deems
14 necessary or appropriate and which the board has
15 determined benefit the university's interests, based
16 on recommendations from the office of strategic
17 partnerships and development, including but not
18 limited to:

19 (A) Creating nonprofit corporations that benefit the
20 university's interest;



1 (B) Establishing, subscribing to, and owning stock in
2 business corporations individually or jointly
3 with others; and

4 (C) Entering into partnerships and other joint
5 venture arrangements, or participating in
6 alliances, purchasing contracts, or other
7 cooperative arrangements, with any public or
8 private entity; provided that any corporation,
9 venture, or relationship entered into under this
10 paragraph benefits the university's interest and
11 does not involve development of land, or
12 activities, within a conservation district; and

13 ~~[-5-]~~ (6) Expend any sums of money as, from time to time,
14 may be placed at the disposal of the university from
15 whatever source; provided that notwithstanding any
16 other law to the contrary, all documents regarding
17 expenditures and changes thereto, made by the board
18 shall be disclosed in open meetings for the purpose of
19 public comment; provided further that all expenditure
20 requests, proposals, and any other budgetary documents
21 used by the board at an open meeting shall be made



1 available to the public at least six calendar days
2 before the meeting.

3 All lands, buildings, appliances, and other property so
4 purchased or acquired shall be and remain the property of the
5 university to be used in perpetuity for the benefit of the
6 university. The board, in accordance with this section and
7 other law, shall manage the inventory, equipment, surplus
8 property, and expenditures of the university and, subject to
9 chapter 91, may adopt rules, further controlling and regulating
10 the same."

11 SECTION 4. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so much
13 thereof as may be necessary for fiscal year 2018-2019 for the
14 hiring of full-time equivalent (FTE) permanent
15 positions in the university of Hawaii to maintain the staff
16 necessary to develop and manage the office of strategic
17 partnerships and development.

18 The sum appropriated shall be expended by the university of
19 Hawaii for the purposes of this Act.

20 SECTION 5. Statutory material to be repealed is bracketed
21 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect on January 1, 2050.



Report Title:

University of Hawaii; Public-Private Partnerships

Description:

Authorizes the University of Hawaii to enter into public-private partnerships and establishes an Office of Strategic Partnerships and Development to specifically analyze, evaluate, recommend, coordinate, oversee, and manage public-private partnerships that benefit the University of Hawaii. (HB2172 HD2)

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