

STAND. COM. REP. NO. 3008

Honolulu, Hawaii

MAR 21 2018

RE: H.B. No. 2172
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committees on Higher Education and Economic Development, Tourism, and Technology, to which was referred H.B. No. 2172, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII PUBLIC-PRIVATE PARTNERSHIPS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish an Office of Strategic Partnerships and Development to specifically analyze, evaluate, recommend, coordinate, oversee, and manage public-private partnerships that benefit the University of Hawai'i;
- (2) Authorize the Board of Regents of the University of Hawai'i to delegate to the President and Vice President of Budget and Finance of the University of Hawai'i to conduct activities and enter into business relationships that benefit the university's interests, under certain conditions; and
- (3) Appropriate funds for the hiring of staff to develop and manage the Office of Strategic Partnerships and Development.



Your Committees received testimony in support of this measure from the University of Hawai'i System, Ulupono Initiative, Ho'omanapono Political Action Committee, and O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committees received testimony in opposition to this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO. Your Committees received comments on this measure from the Department of Accounting and General Services.

Your Committees find that public-private partnerships are a contractual or cooperative arrangement between one or more public agencies and private-sector entities, typically of a long-term nature, in which public and private entities collaboratively partner on the components of projects and services, sharing responsibilities to design, construct, finance, manage, operate, and maintain a project, facility, or program. The goal of public-private partnerships is to capitalize on the strengths and assets of each sector, public and private, to help deliver a project or service more efficiently and effectively for the benefit of the general public. Allowing the University of Hawai'i to enter into public-private partnerships and creating an Office of Strategic Partnerships and Development to specifically coordinate and manage public-private partnerships would benefit the university and its students, as well as the State as a whole.

Your Committees have amended this measure by:

- (1) Clarifying that any public-private partnerships that are coordinated and managed by the Office of Strategic Partnerships and Development shall be located on lands controlled by the University of Hawai'i;
- (2) Removing in the Hawaii Revised Statutes, reference to the Board of Regents of the University of Hawaii's having exclusive jurisdiction over the internal structure, management, and operation of the University of Hawai'i;
- (3) Deleting language that would have authorized the Board of Regents of the University of Hawai'i to delegate to the President and Vice President of Budget and Finance of the University of Hawai'i to conduct activities and



enter into business relationships that benefit the university's interests, under certain conditions;

- (4) Inserting language that establishes a five-year University of Hawai'i public-private partnership pilot project to allow the university to enter into public-private partnerships, under certain conditions; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and Economic Development, Tourism, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2172, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2172, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on behalf of the members of the Committees on Higher Education and Economic Development, Tourism, and Technology,



GLENN WAKAI, Chair



KANALE'I KAHALE, Chair



