
A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII DEVELOPMENTS.

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

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

15 Public service ventures have been used across the country
16 for various public works projects. In the United States, public
17 service ventures are increasingly found in higher education for



1 university projects. Public service venture university projects
2 typically include contracts for student housing, physical plant
3 infrastructure, and facility maintenance, in which the public
4 and private entities each provide some combination of financing,
5 construction, or on-going maintenance.

6 "Public service venture" is a complex business venture
7 involving several public agencies and other private entities
8 where each venture can be arranged and structured in a manner
9 specific to its project goal or business objective that benefits
10 the University of Hawaii, its students, and the State as a
11 whole. The legislature finds that this issue is a matter of
12 statewide concern that falls under its purview pursuant to
13 article X, section 6, of the Hawaii State Constitution.

14 The purpose of this Act is to allow the University of
15 Hawaii to enter into public service ventures and create an
16 office of strategic partnerships and development to coordinate
17 and manage public service ventures that will benefit the
18 University of Hawaii. The office of strategic partnerships and
19 development shall be placed within the purview of the university
20 vice president for budget and finance, who shall be responsible
21 for coordinating and managing all contracts, proposals, and



1 negotiations associated with the university's public service
2 ventures.

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

6 " . OFFICE OF STRATEGIC PARTNERSHIPS AND DEVELOPMENT

7 §304A- Definitions. As used in this subpart, "public
8 service venture" means a complex business venture involving
9 several public agencies and other private entities where each
10 venture can be arranged and structured in a manner specific to
11 its project goal or business objective that benefits the
12 University of Hawaii, its students, and the State as a whole.

13 §304A- Office of strategic partnerships and development;
14 established. There is established within the university an
15 office of strategic partnerships and development to:

- 16 (1) Advance the mission of and to benefit the university;
17 and
18 (2) Increase economic development in the State through
19 collaboration between the university, government
20 agencies, and non-government entities.

21 The office of strategic partnerships and development shall be



1 placed within the purview of the university vice president for
2 budget and finance, who shall be responsible for
3 coordinating and managing all contracts, proposals, and
4 negotiations associated with the university's public-private
5 contracts.

6 **§304A- Duties.** (a) The office of strategic
7 partnerships and development shall:

8 (1) Create a strategic and tactical plan that includes:

9 (A) Establishment of objectives and goals for the
10 office and criteria to measure achievement of
11 those objective and goals;

12 (B) Identification of potential public service
13 venture projects that meet the office's
14 objectives and goals;

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

18 (D) Identification of the necessary financial
19 resources to develop, implement, and maintain the
20 potential public service venture projects;



- 1 (2) Coordinate collaboration within the university and
2 with other state and county agencies to analyze and
3 develop public service venture projects based on the
4 needs and goals of the university and the State,
5 including:
6 (A) Proposed economic benefits;
7 (B) Financial outcomes;
8 (C) Social benefits; and
9 (D) Contract terms, conditions, obligations, and
10 responsibilities;
11 (3) Create and maintain a report for each public service
12 venture project that analyzes the process and the
13 results, including:
14 (A) Proposed economic benefits;
15 (B) Financial outcomes;
16 (C) Social benefits; and
17 (D) Contract terms, conditions, obligations, and
18 responsibilities;
19 (4) Develop, analyze, and evaluate plans for public
20 service venture projects including objectives and
21 criteria to measure the accomplishment of objectives,



1 develop and implement programs through which the
2 objectives are to be attained, and determine financial
3 requirements for public resources based on the needs
4 and goals of the university and the State;

5 (5) Assist the university in evaluating public service
6 ventures and facilitate the timely and effective
7 implementation and completion of project milestones
8 and objectives;

9 (6) Develop programs to continuously encourage public
10 service venture projects that will result in the
11 development of improved infrastructure, services, and
12 programs at the university;

13 (7) Formulate and assist the university in formulating
14 specific program and project proposals to solicit
15 public service ventures; and

16 (8) Oversee and implement each public service venture
17 project.

18 (b) Before entering into a contract or agreement for a
19 public service venture, the office of strategic partnerships and
20 development shall ensure that the following conditions are met:



1 (1) The board of regents has approved any agreement prior
2 to the obligation of the university or any of its
3 assets as a contribution toward the declared public
4 service ventures; and

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

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

10 "(a) The board of regents shall have management and
11 control of the general affairs, and exclusive jurisdiction over
12 the internal structure, management, and operation of the
13 university. The board may:

14 (1) Appoint a treasurer and other officers as it deems
15 necessary;

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

19 (3) Delegate to the president or the president's designee
20 the authority to render the final decision in



1 contested case proceedings subject to chapter 91, as
2 it deems appropriate;

3 (4) Purchase or otherwise acquire lands, buildings,
4 appliances, and other property for the purposes of the
5 university; [~~and~~]

6 (5) Conduct activities and enter into business
7 relationships as the board deems necessary or
8 appropriate, including any of the following, based on
9 recommendations from the office of strategic
10 partnerships and development:

11 (A) Creating nonprofit corporations;

12 (B) Establishing, subscribing to, and owning stock in
13 business corporations individually or jointly
14 with others; and

15 (C) Entering into partnerships and other joint
16 venture arrangements, or participating in
17 alliances, purchasing contracts, or other
18 cooperative arrangements, with any public or
19 private entity; provided that any corporation,
20 venture, or relationship entered into under this



1 paragraph shall benefit the university's
2 interest; and

3 ~~[-5-]~~ (6) Expend any sums of money as, from time to time,
4 may be placed at the disposal of the university from
5 whatever source; provided that notwithstanding any
6 other law to the contrary, all documents regarding
7 expenditures and changes thereto, made by the board
8 shall be disclosed in open meetings for the purpose of
9 public comment; provided further that all expenditure
10 requests, proposals, and any other budgetary documents
11 used by the board at an open meeting shall be made
12 available to the public at least six calendar days
13 before the meeting.

14 All lands, buildings, appliances, and other property so
15 purchased or acquired shall be and remain the property of the
16 university to be used in perpetuity for the benefit of the
17 university. The board, in accordance with this section and
18 other law, shall manage the inventory, equipment, surplus
19 property, and expenditures of the university and, subject to
20 chapter 91, may adopt rules, further controlling and regulating
21 the same."



1 SECTION 4. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$500,000 or so much
 3 thereof as may be necessary for fiscal year 2019-2020 and the
 4 same sum or so much thereof as may be necessary for fiscal year
 5 2020-2021, for the hiring of four full-time equivalent (4.00
 6 FTE) permanent positions in the University of Hawaii to maintain
 7 the staff necessary to develop and manage the office of
 8 strategic partnerships and development.

9 The sum appropriated shall be expended by the University of
 10 Hawaii for the purposes of this Act.

11 SECTION 5. Statutory material to be repealed is bracketed
 12 and stricken. New statutory material is underscored.

13 SECTION 6. This Act shall take effect on July 1, 2019.
 14

INTRODUCED BY:

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H.B. NO. 721

Report Title:

University of Hawaii; Office of Strategic Partnerships and Development; Appropriation

Description:

Allows the University of Hawaii to enter into public service ventures and establishes an Office of Strategic Partnerships and Development (OSPD) to specifically oversee and manage public service ventures to benefit the University of Hawaii. Appropriates funds for OSPD staff.

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