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# 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 A 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 among 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 venture; 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 \$ 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, 2050.



**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. (HB721 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

