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# 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;



- 1 (B) Identification of potential public-private  
2 partnership projects that meet the office's  
3 objectives and goals;
- 4 (C) Development of the necessary financial resources  
5 and budgets to establish and maintain the office;  
6 and
- 7 (D) Identification of the necessary financial  
8 resources to develop, implement, and maintain the  
9 potential public-private partnership projects;
- 10 (2) Coordinate collaboration within the university and  
11 with other state and county agencies to analyze and  
12 develop public-private partnership projects based on  
13 the needs and goals of the university and the State,  
14 including proposed economic benefits; financial  
15 outcomes; social benefits; and contract terms,  
16 conditions, obligations, and responsibilities;
- 17 (3) Create and maintain a report for each public-private  
18 partnership project that analyzes the process and the  
19 results, including the following:
- 20 (A) Proposed economic benefits;
- 21 (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)

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

