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

- 17 (1) Create and appropriate funds for an office of
18 strategic partnerships and development to specifically
19 coordinate and manage public-private partnerships that
20 would benefit the University of Hawaii; and



- 1 (2) Establish a five-year University of Hawaii public-
2 private partnership pilot project to allow the
3 university to enter into public-private partnerships,
4 under certain conditions.

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 on lands controlled by the University of Hawaii 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;



1 (B) Financial outcomes;

2 (C) Social benefits; and

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

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

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

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



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

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

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

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

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

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

"(a) The board of regents shall have management and control of the general affairs, and ~~[exclusive]~~ jurisdiction over the internal structure, management, and operation of the university. The board may:



- 1 (1) Appoint a treasurer and other officers as it deems
2 necessary;
- 3 (2) Authorize any officer, elected or appointed by it, to
4 approve and sign on its behalf any voucher or other
5 document that the board may approve and sign;
- 6 (3) Delegate to the president or the president's designee
7 the authority to render the final decision in
8 contested case proceedings subject to chapter 91, as
9 it deems appropriate;
- 10 (4) Purchase or otherwise acquire lands, buildings,
11 appliances, and other property for the purposes of the
12 university; and
- 13 (5) Expend any sums of money as, from time to time, may be
14 placed at the disposal of the university from whatever
15 source; provided that notwithstanding any other law to
16 the contrary, all documents regarding expenditures and
17 changes thereto, made by the board shall be disclosed
18 in open meetings for the purpose of public comment;
19 provided further that all expenditure requests,
20 proposals, and any other budgetary documents used by
21 the board at an open meeting shall be made available



1 to the public at least six calendar days before the
2 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. (a) There is established a five-year
12 University of Hawaii public-private partnership pilot project,
13 to be administered by the board of regents of the University of
14 Hawaii.

15 (b) Notwithstanding any law to the contrary, the board of
16 regents of the University of Hawaii may delegate to the
17 president and vice president of budget and finance of the
18 University of Hawaii the authority to conduct activities and
19 enter into business relationships as the board deems necessary
20 or appropriate and which the board has determined benefit the
21 university's interests, based on recommendations from the office



1 of strategic partnerships and development, including but not
2 limited to:

- 3 (1) Creating nonprofit corporations that benefit the
4 university's interest;
- 5 (2) Establishing, subscribing to, and owning stock in
6 business corporations individually or jointly with
7 others; and
- 8 (3) Entering into partnerships and other joint venture
9 arrangements, or participating in alliances,
10 purchasing contracts, or other cooperative
11 arrangements, with any public or private entity;

12 provided that any corporation, venture, or relationship entered
13 into under this subsection benefits the university's interest
14 and does not involve development of land, or activities, within
15 a conservation district.

16 (c) A maximum of up to three development projects shall be
17 permitted as a result of any corporation, venture, or
18 relationship entered into under subsection (b); provided that
19 the first development project shall be the University of Hawaii
20 at Hilo university village phase II; provided further that the
21 two remaining developments projects shall require approval by



1 the board of regents of the University of Hawaii; provided
2 further that for any development project pursuant to this
3 subsection, the University of Hawaii shall communicate and, if
4 necessary, negotiate with any respective union whose jobs may be
5 affected by the proposed development project; provided further
6 that if it is found that a respective union's jobs are affected,
7 a mutual agreement shall be agreed upon between the University
8 of Hawaii and the respective union prior to the project
9 proceeding.

10 SECTION 5. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$ or so much
12 thereof as may be necessary for fiscal year 2018-2019 for the
13 hiring of full-time equivalent (FTE) permanent
14 positions in the University of Hawaii to maintain the staff
15 necessary to develop and manage the office of strategic
16 partnerships and development.

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

19 SECTION 6. Statutory material to be repealed is bracketed
20 and stricken. New statutory material is underscored.

21 SECTION 7. This Act shall take effect on January 1, 2050.



Report Title:

University of Hawaii; Public-Private Partnerships; Pilot
Project; Appropriation

Description:

Establishes and appropriates funds for 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. Establishes a five-year University of Hawaii public-private partnership pilot project to allow the university to enter into public-private partnerships, under certain conditions. Takes effect 1/1/2050. (SD1)

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