A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII DEVELOPMENTS.

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

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

Public service ventures have been used across the country for various public works projects. In the United States, public service ventures are increasingly found in higher education for
university projects. Public service venture university projects typically include contracts for student housing, physical plant infrastructure, and facility maintenance, in which the public and private entities each provide some combination of financing, construction, or on-going maintenance.

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

The purpose of this Act is to allow the University of Hawaii to enter into public service ventures and create an office of strategic partnerships and development to coordinate and manage public service ventures that will benefit the University of Hawaii. The office of strategic partnerships and development shall be placed within the purview of the university vice president for budget and finance, who shall be responsible for coordinating and managing all contracts, proposals, and
negotiations associated with the university's public service ventures.

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

"OFFICE OF STRATEGIC PARTNERSHIPS AND DEVELOPMENT

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

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

(1) Advance the mission of and to benefit the university; and

(2) Increase economic development in the State through collaboration between the university, government agencies, and non-government entities.

The office of strategic partnerships and development shall be
placed within the purview of the university vice president for budget and finance, who shall be responsible for coordinating and managing all contracts, proposals, and negotiations associated with the university's public-private contracts.

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

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

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

(B) Identification of potential public service venture projects 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 service venture projects;
(2) Coordinate collaboration within the university and
with other state and county agencies to analyze and
develop public service venture projects based on the
needs and goals of the university and the State,
including:
(A) Proposed economic benefits;
(B) Financial outcomes;
(C) Social benefits; and
(D) Contract terms, conditions, obligations, and
responsibilities;

(3) Create and maintain a report for each public service
venture project that analyzes the process and the
results, including:
(A) Proposed economic benefits;
(B) Financial outcomes;
(C) Social benefits; and
(D) Contract terms, conditions, obligations, and
responsibilities;

(4) Develop, analyze, and evaluate plans for public
service venture projects including objectives and
criteria to measure the accomplishment of objectives,
develop and implement programs through which the
objectives are to be attained, and determine financial
requirements for public resources based on the needs
and goals of the university and the State;
(5) Assist the university in evaluating public service
ventures and facilitate the timely and effective
implementation and completion of project milestones
and objectives;
(6) Develop programs to continuously encourage public
service venture projects that will result in the
development of improved infrastructure, services, and
programs at the university;
(7) Formulate and assist the university in formulating
specific program and project proposals to solicit
public service ventures; and
(8) Oversee and implement each public service venture
project.
(b) Before entering into a contract or agreement for a
public service venture, the office of strategic partnerships and
development shall ensure that the following conditions are met:
(1) The board of regents has approved any agreement prior to the obligation of the university or any of its assets as a contribution toward the declared public service ventures; 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) Appoint a treasurer and other officers as it deems necessary;

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

(3) Delegate to the president or the president's designee the authority to render the final decision in
contested case proceedings subject to chapter 91, as it deems appropriate;

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

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

(A) Creating nonprofit corporations;

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

(C) Entering into partnerships and other joint venture arrangements, or participating in alliances, purchasing contracts, or other cooperative arrangements, with any public or private entity; provided that any corporation, venture, or relationship entered into under this
paragraph shall benefit the university's interest; and

Expend any sums of money as, from time to time, may be placed at the disposal of the university from whatever source; provided that notwithstanding any other law to the contrary, all documents regarding expenditures and changes thereto, made by the board shall be disclosed in open meetings for the purpose of public comment; provided further that all expenditure requests, proposals, and any other budgetary documents used by the board at an open meeting shall be made available to the public at least six calendar days before the meeting.

All lands, buildings, appliances, and other property so purchased or acquired shall be and remain the property of the university to be used in perpetuity for the benefit of the university. The board, in accordance with this section and other law, shall manage the inventory, equipment, surplus property, and expenditures of the university and, subject to chapter 91, may adopt rules, further controlling and regulating the same."
SECTION 4. There is appropriated out of the general
revenues of the State of Hawaii the sum of $500,000 or so much
thereof as may be necessary for fiscal year 2019-2020 and the
same sum or so much thereof as may be necessary for fiscal year
2020-2021, for the hiring of four full-time equivalent (4.00
FTE) permanent positions in the University of Hawaii to maintain
the staff necessary to develop and manage the office of
strategic partnerships and development.

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

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

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