



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

GOV. MSG. NO. **775**

June 28, 2006

The Honorable Robert Bunda, President
and Members of the Senate
Twenty-Third State Legislature
State Capitol, Room 003
Honolulu, Hawaii 96813

Dear Mr. President and Members of the Senate:

This is to inform you that on June 28, 2006, the following bill was signed into law:

HB2961 HD1 SD1 CD1

A BILL FOR AN ACT RELATING TO EDUCATION.
(ACT 244)

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

HOUSE OF REPRESENTATIVES
TWENTY-THIRD LEGISLATURE, 2006
STATE OF HAWAII

H.B. NO. 2961
H.D. 1
S.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO EDUCATION.

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

1 SECTION 1. The legislature finds that the department of
2 education federal revenue maximization program was established
3 to develop a claiming process for all medicaid-eligible health
4 services that it provides to Hawaii's school-aged children.

5 The legislature also finds that current moneys generated
6 from the department of education revenue maximization program
7 are deposited into the general fund. However, the deposit of
8 generated revenue into the general fund does not guarantee the
9 moneys would be dedicated to the school-based claiming program.
10 Thus, a revolving fund for the department of education federal
11 revenue maximization program should be established to provide a
12 clear nexus between the revenue generated from the school-based
13 claiming program and the provision of those services.

14 Accordingly, the purpose of this Act is to create a
15 revolving fund for the collection and disbursement of generated
16 revenue to support the administration and operations of the
17 department of education federal revenue maximization program.



1 SECTION 2. Chapter 302A, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§302A- Department of education federal revenue
5 maximization program revolving fund; established. (a) There is
6 established in the state treasury the department of education
7 federal revenue maximization program revolving fund to be
8 administered by the department. Moneys from the revolving fund
9 shall be expended by the department for medicaid-eligible
10 services provided by the department and administrative costs
11 related to the department of education federal revenue
12 maximization program.

13 (b) The department of education federal revenue
14 maximization program revolving fund shall consist of:

15 (1) Federal revenue collected by the department for
16 administering and operating the department of
17 education federal revenue maximization program;

18 (2) Legislative appropriations;

19 (3) All interest earned on the deposit or investment of
20 moneys in the department of education federal revenue
21 maximization program revolving fund; and



1 (4) Any other moneys made available to the department of
2 education federal revenue maximization program
3 revolving fund from other sources."

4 SECTION 3. Section 29-24, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There is established in the state treasury an
7 interagency federal revenue maximization revolving fund into
8 which shall be deposited all funds and proceeds collected from
9 the federal government and third-party payors for costs not
10 previously claimed by the State, with the exception of proceeds
11 collected for services provided by the Hawaii health systems
12 corporation, for reimbursement [~~by~~] of federally-funded state
13 programs. For purposes of this chapter, federally-funded state
14 programs include but shall not be limited to those federally-
15 funded programs within the departments of human services[~~r~~
16 ~~education,~~] and health[~~r~~], and shall not include the federally-
17 funded program within the department of education as provided in
18 302A- . Expenditures and transfers from the fund shall be
19 made by the comptroller in proportional allocations established
20 by the comptroller and the director of finance. Transfers shall
21 be made to the department claiming the reimbursement for
22 expenses incurred related to federal fund reimbursement claims



1 and to the general fund of the State. Moneys in the fund may be
2 expended for consultant services rendered under subsection (b)."

3 SECTION 4. There is appropriated out of the department of
4 education federal revenue maximization program revolving fund
5 the sum of \$2,000,000 or so much thereof as may be necessary for
6 fiscal year 2006-2007 for medicaid-eligible services provided by
7 the department of education and administrative costs related to
8 the department of education federal revenue maximization
9 program.

10 The sum appropriated shall be expended by the department of
11 education for the purposes of this Act.

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

14 SECTION 6. This Act shall take effect on July 1, 2006.

APPROVED this 28 day of JUN 1, 2006



GOVERNOR OF THE STATE OF HAWAII

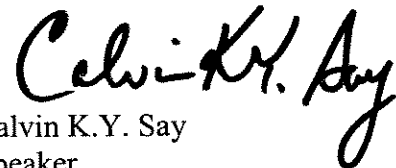


HB No. 2961 HD 1 SD 1 CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the House of Representatives of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Calvin K.Y. Say
Speaker
House of Representatives



Patricia Mau-Shimizu
Chief Clerk
House of Representatives

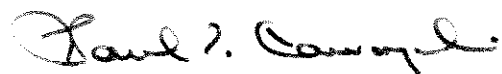
THE SENATE OF THE STATE OF HAWAII

Date: May 2, 2006
Honolulu, Hawaii

We hereby certify that the foregoing Bill on this day passed Final Reading in the Senate of the Twenty-Third Legislature of the State of Hawaii, Regular Session of 2006.



Robert Bunda
President of the Senate



Paul Kawaguchi
Clerk of the Senate