

JAN 25 2006

A BILL FOR AN ACT

RELATING TO THE FUNDS OF THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. Chapter 304, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§304- University of Hawaii at Manoa special fund. (a)
5 Section 304-8 notwithstanding, there is hereby created the
6 university of Hawaii at Manoa special fund to receive, disburse,
7 and account for funds of programs and activities of the
8 university of Hawaii at Manoa, including but not limited to off-
9 campus programs, summer session programs, overseas programs,
10 evening sessions, study abroad, exchange programs, cultural
11 enrichment programs, and consultative services that help make
12 available the resources of the university of Hawaii at Manoa to
13 the communities they serve.

14 (b) The special fund may include deposits from:

15 (1) The university of Hawaii tuition and fees special fund
16 as established in section 304-16.5;

17 (2) Fees, fines, and other money collected for:

18 (A) Transcript and diploma;

S.B. NO. 2390

- 1 (B) Library;
- 2 (C) Facility use;
- 3 (D) Child care;
- 4 (E) Auxiliary enterprises;
- 5 (F) Alumni;
- 6 (G) Conferences and seminars;
- 7 (H) Parking; and
- 8 (I) Other activities related to the university of
- 9 Hawaii at Manoa.

10 (c) The chancellor of the university of Hawaii at Manoa
11 campus or a designee is authorized to expend funds from the
12 appropriate account in the special fund for all costs associated
13 with the activities and programs of the university of Hawaii at
14 Manoa, including, but not limited to, conducting conferences,
15 seminars, and courses, expenses for honoraria, hotel and room
16 rentals, food and refreshment, printing and mailing, airfare and
17 per diem, leis, rental of audio visual equipment, and conference
18 supplies and materials."

19 SECTION 2. Chapter 304, Hawaii Revised Statutes, is
20 amended by adding a new section to be appropriately designated
21 and to read as follows:

22 "§304- University of Hawaii at Hilo special fund. (a)
23 Section 304-8 notwithstanding, there is hereby created the

S.B. NO. 2390

1 university of Hawaii at Hilo special fund to receive, disburse,
2 and account for funds of programs and activities of the
3 university of Hawaii at Hilo, including, but not limited to,
4 off-campus programs, summer session programs, overseas programs,
5 evening sessions, study abroad, exchange programs, cultural
6 enrichment programs, and consultative services that help make
7 available the resources of the university of Hawaii at Hilo to
8 the communities they serve.

9 (b) The special fund may include deposits from:

10 (1) The university of Hawaii tuition and fees special fund
11 as established in section 304-16.5;

12 (2) Tuition, fees, and charges for affiliated
13 instructional, training, and public service courses and
14 programs; and

15 (3) Fees, fines, and other money collected for:

16 (A) Student health;

17 (B) Transcript and diploma;

18 (C) Library;

19 (D) Facility use;

20 (E) Child care;

21 (F) Auxiliary enterprises;

22 (G) Alumni;

23 (H) Conferences and seminars;

S.B. NO. 2390

- 1 (I) Parking;
- 2 (J) Hawaiian language material;
- 3 (K) The university of Hawaii at Hilo theatre program;
- 4 and
- 5 (L) Other activities related to the university of
- 6 Hawaii at Hilo.

7 (c) The chancellor of the university of Hawaii at Hilo
8 campus or a designee is authorized to expend funds from the
9 appropriate account in the special fund for all costs associated
10 with the activities and programs of the university of Hawaii at
11 Hilo, including, but not limited to, conducting conferences,
12 seminars, and courses, expenses for honoraria, hotel and room
13 rentals, food and refreshment, printing and mailing, airfare and
14 per diem, leis, rental of audio visual equipment, and conference
15 supplies and materials."

16 SECTION 3. Chapter 304, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:

19 "§304- University of Hawaii-West Oahu special fund.

20 (a) Section 304-8 notwithstanding, there is hereby created the
21 university of Hawaii-West Oahu special fund to receive, disburse,
22 and account for funds of programs and activities of the
23 university of Hawaii-West Oahu, including, but not limited to,

S.B. NO. 2390

1 off-campus programs, summer session programs, overseas programs,
2 evening sessions, study abroad, exchange programs, cultural
3 enrichment programs, and consultative services that help make
4 available the resources of the university of Hawaii-West Oahu to
5 the communities they serve.

6 (b) The special fund may include deposits from:

7 (1) The university of Hawaii tuition and fees special fund
8 as established in section 304-16.5;

9 (2) Tuition, fees, and charges for affiliated
10 instructional, training, and public service courses and
11 programs; and

12 (3) Fees, fines, and other money collected for:

13 (A) Student health;

14 (B) Transcript and diploma;

15 (C) Library;

16 (D) Facility use;

17 (E) Child care;

18 (F) Auxiliary enterprises;

19 (G) Alumni;

20 (H) Conferences and seminars;

21 (I) Parking;

22 (J) Lease Rent; and

23 (K) Other activities related to the university of

S.B. NO. 2390

1 Hawaii-West Oahu.

2 (c) The chancellor of the university of Hawaii-West Oahu
3 campus or a designee is authorized to expend funds from the
4 appropriate account in the special fund for all costs associated
5 with the activities and programs of the university of Hawaii-
6 West Oahu, including but not limited to, conducting conferences,
7 seminars, and courses, expenses for honoraria, hotel and room
8 rentals, food and refreshment, printing and mailing, airfare and
9 per diem, leis, rental of audio visual equipment, and conference
10 supplies and materials."

11 SECTION 4. Chapter 304, Hawaii Revised Statutes, is
12 amended by adding a new section to be appropriately designated
13 and to read as follows:

14 **"§304- University of Hawaii systemwide support special**
15 **fund, established.** (a) Notwithstanding any law to the
16 contrary, for the purpose of meeting certain operating costs of
17 the university of Hawaii system as provided in subsection (c),
18 the university of Hawaii may impose assessments against, or
19 transfer revenues from the short-term investment of cash from
20 any special or revolving fund established under this chapter.

21 (b) There is established a university of Hawaii systemwide
22 support special fund into which shall be deposited:

23 (1) Legislative appropriations;

S.B. NO. 2390

1 (2) Assessments collected pursuant to subsection (a); and

2 (3) Revenues from the short term investment of cash

3 transferred pursuant to subsection (a).

4 (c) Revenues deposited into this fund shall be expended

5 for operating costs incurred by one or more campus or major unit

6 of the university of Hawaii system, including but not limited to

7 the payment of judgments and settlements, financial audits,

8 accreditation fees, dues for institutional membership,

9 publications, training and staff development activities,

10 improvements in information technology, and such other costs

11 that are necessary for the maintenance or improvement of the

12 university system's operation.

13 (d) Pursuant to section 304-8(b), the university shall

14 submit an annual report to the legislature on all income and

15 expenditures of this fund, including all assessments and

16 transfers pursuant to subsection (a)."

17 SECTION 5. Section 304-1.5, Hawaii Revised Statutes, is

18 amended to read as follows:

19 "[+]§304-1.5[+] **University of Hawaii-West Oahu development**

20 **special fund.** (a) There is established within the treasury of

21 the State a special fund to be known as the [University]

22 university of Hawaii-West Oahu development special fund. The

S .B. NO. 2390

1 proceeds of the special fund shall be used for the following
2 purposes:

3 (1) Planning, land acquisition, design, construction, and
4 equipment necessary for the development of the
5 permanent campus of the [~~University~~] university of
6 Hawaii-West Oahu in Kapolei; and

7 (2) Planning, land acquisition, design, improvement, and
8 construction of infrastructure and other public or
9 common facilities necessary for the development of the
10 permanent campus of the [~~University~~] university of
11 Hawaii-West Oahu in Kapolei.

12 (b) The following shall be deposited into the special fund:

13 (1) Appropriations by the legislature to the special fund;

14 (2) All net proceeds from the sale of public lands, all net
15 rents from leases, licenses, and permits, or all net
16 proceeds derived from development rights for public
17 lands:

18 (A) Proposed for large lot subdivision as a five
19 hundred acre parcel and designated as Lot 10077 in
20 Land Court Application 1069; and

21 (B) Obtained from Campbell Estate in the land exchange
22 described in [section 2 of Act 294, Session Laws
23 of Hawaii 1996,] located mauka of the H-1 Freeway

S.B. NO. 2390

1 and consisting of nine hundred forty-one acres,
2 more or less; and

3 (3) Interest earned or accrued on moneys in the special
4 fund.

5 (c) The fund shall be managed by the [~~University~~]
6 university of Hawaii, which shall also make expenditures from the
7 fund.

8 (d) Notwithstanding any other law to the contrary, no
9 moneys from the special fund may be expended for any purposes
10 other than the purposes set forth herein unless otherwise
11 approved by the legislature."

12 SECTION 6. Section 304-8.1, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "**§304-8.1 Research and training [~~revolving~~] special fund.**

15 (a) There is established a [~~University~~] university of Hawaii
16 research and training [~~revolving~~] special fund into which shall
17 be deposited one hundred per cent of the total amount of
18 indirect overhead revenues generated by the university from
19 research and training programs. The board of regents of the
20 [~~University~~] university of Hawaii is authorized to expend one
21 hundred per cent of the revenues deposited in the fund for:

22 (1) Research and training purposes which may result in
23 additional research and training grants and contracts;

1 (2) Facilitating research and training at the university;
2 and

3 (3) Further deposit into the discoveries and inventions
4 revolving fund and the [~~University~~] university of
5 Hawaii housing assistance [~~revolving~~] special fund.

6 (b) The university of Hawaii shall prepare and submit an
7 annual report on the status of the research and training
8 [~~revolving~~] special fund to the legislature twenty days before
9 the convening of each regular session. The annual report shall
10 include but not be limited to a breakdown of travel expenses.

11 (c) Notwithstanding sections 304-10, 304-8.92, and 304-
12 8.96 to the contrary, the board of regents or its designee, may
13 establish a separate account within the research and training
14 [~~revolving~~] special fund for the purpose of providing advance
15 funding to meet reimbursable costs incurred in connection with
16 federally financed research and training projects. Any
17 reimbursement received as a result of providing advance funding
18 shall be deposited into the research and training [~~revolving~~]
19 special fund to be used for the purpose of meeting reimbursable
20 costs incurred in connection with federally financed projects.

21 (d) Revenues deposited into the fund shall not be used as
22 a basis for reducing any current or future budget request or

S.B. NO. 2390

1 allotment to the [University] university of Hawaii unless the
2 university requests such a reduction."

3 SECTION 7. Section 304-8.41, Hawaii Revised Statutes, is
4 amended by amending subsection (c) to read as follows:

5 "(c) Any law to the contrary notwithstanding, [~~from July 1,~~
6 ~~2001, to June 30, 2004,~~] the university may transfer all funds at
7 its disposal, with the exception of general funds, into this
8 revolving fund to finance the establishment of new enterprises."

9 SECTION 8. Section 304-8.7, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§304-8.7 University of Hawaii at Manoa intercollegiate**
12 **athletics [~~revolving~~] special fund and [University] university**
13 **of Hawaii at Hilo intercollegiate athletics [~~revolving~~] special**
14 **fund.** Notwithstanding any other law to the contrary, there are
15 established [~~revolving~~] special funds for the intercollegiate
16 athletic programs of the [University] university of Hawaii at
17 Manoa and the [University] university of Hawaii at Hilo, which
18 shall be used to receive, deposit, disburse, and account for
19 funds from the activities of the intercollegiate athletic
20 programs. The [~~university~~] universities may establish
21 appropriate charges for activities related to its athletic
22 programs and the use of its athletic facilities, the proceeds

S.B. NO. 2390

1 from which shall be deposited into these [~~revolving~~] special
2 funds.

3 The university shall maintain the financial integrity and
4 viability of these [~~revolving~~] special funds, including the
5 maintenance of an adequate reserve to cope with the various
6 factors that impact the revenue structure of an intercollegiate
7 athletic program."

8 SECTION 9. Section 304-8.96, Hawaii Revised Statutes, is
9 amended to read as follows:

10 **"§304-8.96 University of Hawaii housing assistance**

11 [~~revolving~~] special fund. (a) There is established a housing
12 assistance [~~revolving~~] special fund into which shall be
13 deposited a portion of the total indirect overhead funds
14 generated by the university for research and training purposes
15 in the prior fiscal year as determined by the board of regents.

16 The fund shall be used to:

- 17 (1) Implement the [~~University~~] university of Hawaii
18 housing assistance master plan, in accordance with
19 policies adopted by the board of regents; and
20 (2) Account for all transactions of the university housing
21 assistance program, including but not limited to
22 revenues, expenditures, loans, and transfers.

S.B. NO. 2390

1 (b) The [~~University~~] university of Hawaii shall provide an
2 annual report to the governor and the legislature describing all
3 transactions and activities involved in the administration of
4 the housing assistance [~~relating~~] special fund."

5 SECTION 10. Section 305-4, Hawaii Revised Statutes, is
6 amended to read as follows:

7 "~~§305-4~~ [~~Special~~] Community colleges special fund. (a)
8 Section 304-8 notwithstanding, there is hereby created a special
9 fund to receive, disburse, and account for funds of [~~special~~]
10 programs and activities of the community colleges, including but
11 not limited to off-campus programs, summer session programs,
12 overseas programs, evening sessions, study abroad, exchange
13 programs, cultural enrichment programs, and consultative services
14 [~~which~~] that help make available the resources of the community
15 colleges to the communities they serve.

16 (b) The special fund may include deposits from:

17 (1) The [~~University~~] university of Hawaii tuition and fees
18 special fund as established in section 304-16.5;

19 (2) Tuition, fees, and charges for affiliated
20 instructional, training, and public service courses and
21 programs; and

22 (3) Fees [~~paid~~], and other money collected for:

23 (A) Student health;

S.B. NO. 2390

- 1 (B) Transcript and diploma;
2 (C) Library;
3 (D) Facility use;
4 (E) Child care;
5 (F) Auxiliary enterprises;
6 (G) Alumni; [and]
7 (H) Conferences and seminars;
8 (I) Parking; and
9 [-(H)] (J) Other [related] activities[-] related to the
10 community colleges.

11 (c) The chancellor of each community college or a designee
12 is authorized to expend funds from the appropriate account in the
13 special fund for all costs associated with the activities and
14 programs of the university of Hawaii community colleges,
15 including but not limited to, conducting conferences, seminars
16 and courses, expenses for honoraria, hotel and room rentals, food
17 and refreshment, printing and mailing, airfare and per diem,
18 leis, rental of audio visual equipment, and conference supplies
19 and materials."

20 SECTION 11. Section 304-8.3, Hawaii Revised Statutes, is
21 repealed.

22 ~~["§304-8.3] Transcript and diploma revolving fund. There~~
23 ~~is established a revolving fund for transcripts and diplomas~~

S.B. NO. 2390

1 ~~which shall be used to defray the cost of transcripts and~~
2 ~~diplomas and which shall be replenished through charges made for~~
3 ~~transcripts and diplomas or through transfers from other~~
4 ~~accounts or funds."]~~

5 SECTION 12. Section 304-8.4, Hawaii Revised Statutes, is
6 repealed.

7 [~~"§304-8.4 Vocational and technical training projects~~
8 ~~revolving fund.~~ There is established a revolving fund for the
9 ~~vocational and technical training projects of the community~~
10 ~~colleges and the University of Hawaii at Hilo into which shall be~~
11 ~~deposited the receipts from fees for services, supplies, and use~~
12 ~~of equipment provided by or in connection with these projects.~~
13 ~~Funds deposited in this account shall be expended for vocational~~
14 ~~and technical training projects, and supplies, equipment, and~~
15 ~~services related thereto.~~

16 ~~The University of Hawaii at Hilo shall report as of the~~
17 ~~close of each fiscal year to the governor and the legislature on~~
18 ~~the revolving fund's revenues and expenditures for the reported~~
19 ~~year. These reports shall be submitted not later than twenty~~
20 ~~days prior to the convening of each regular session."]~~

21 SECTION 13. Section 304-8.5, Hawaii Revised Statutes, is
22 repealed.

S.B. NO. 2390

1 ~~["§304-8.5 Animal research farm, Waialeale, Oahu revolving~~
2 ~~fund. There is established a revolving fund for the animal~~
3 ~~research farm, Waialeale, Oahu, operated by the college of~~
4 ~~tropical agriculture and human resources, University of Hawaii,~~
5 ~~into which shall be deposited the receipts from fees realized~~
6 ~~from the sale of livestock, services, and supplies. Funds~~
7 ~~deposited in this account shall be expended for animal research,~~
8 ~~and services and supplies related thereto."]~~

9 SECTION 14. Section 304-8.91, Hawaii Revised Statutes, is
10 repealed.

11 ~~["§304-8.91 Child care programs revolving fund. There is~~
12 ~~established a child care programs revolving fund for the~~
13 ~~operation of child care programs and the construction and~~
14 ~~renovation of child care centers established by the University~~
15 ~~of Hawaii. Fees charged for child care at child care programs,~~
16 ~~proceeds from donations to the university for child care~~
17 ~~programs, and proceeds from loans or other instruments of~~
18 ~~indebtedness for the construction or renovation of child care~~
19 ~~centers, shall be deposited into the revolving fund.~~
20 ~~Expenditures from the revolving fund shall be made for the~~
21 ~~operation of child care programs and payment of principal and~~
22 ~~interest on obligations incurred for the construction or~~
23 ~~renovation of child care centers."]~~

S.B. NO. 2390

1 SECTION 15. Section 304-8.93, Hawaii Revised Statutes, is
2 repealed.

3 ~~["**§304-8.93** Library special fund. There is established~~
4 ~~a special fund for the libraries of the University of Hawaii~~
5 ~~into which shall be deposited all fines, fees, and other revenue~~
6 ~~derived from the libraries' operations. Moneys deposited in~~
7 ~~this fund may be expended to replace or repair lost, damaged,~~
8 ~~stolen, or outdated books, serials, and periodicals, or to~~
9 ~~support and improve the services provided by the libraries. The~~
10 ~~amounts allocated to each campus library from the special fund~~
11 ~~shall be proportionate to the amount of revenues generated by~~
12 ~~each library."]~~

13 SECTION 16. Section 304-8.94, Hawaii Revised Statutes, is
14 repealed.

15 ~~["**§304-8.94** Conference center revolving fund. There is~~
16 ~~established a revolving fund for the conference center program~~
17 ~~in the college of continuing education and community service of~~
18 ~~the University of Hawaii, Manoa campus. All fees, charges, and~~
19 ~~other moneys collected in conjunction with the conference center~~
20 ~~program shall be deposited in the revolving fund. The dean of~~
21 ~~the college of continuing education and community service is~~
22 ~~authorized to expend funds from the revolving fund for all costs~~
23 ~~associated with conducting conferences, seminars, and courses by~~

S.B. NO. 2390

1 ~~the conference center program, including but not limited to,~~
2 ~~expenses for honoraria, hotel and room rentals, food and~~
3 ~~refreshment, printing and mailing, airfare and per diem, leis,~~
4 ~~rental of audio visual equipment, and conference supplies and~~
5 ~~materials"]~~

6 SECTION 17. Section 304-8.945, Hawaii Revised Statutes, is
7 repealed.

8 ~~["§304-8.945 Conference center revolving fund for Hilo~~
9 ~~campus.] (a) As used in this section, "dean" means the dean of~~
10 ~~the college of continuing education and community service. There~~
11 ~~is established a revolving fund for the conference center program~~
12 ~~in the college of continuing education and community service of~~
13 ~~the University of Hawaii, Hilo campus. All fees, charges, and~~
14 ~~other moneys collected in conjunction with the conference center~~
15 ~~program shall be deposited in the revolving fund. The dean is~~
16 ~~authorized to expend funds from the revolving fund for all costs~~
17 ~~associated with conducting conferences, seminars, and courses by~~
18 ~~the conference center program, including but not limited to,~~
19 ~~expenses for honoraria, hotel and room rentals, food and~~
20 ~~refreshment, printing and mailing, airfare and per diem, leis,~~
21 ~~rental of audio visual equipment, and conference supplies and~~
22 ~~materials, without regard to sections 103-22 and 103-42.~~

S.B. NO. 2390

1 ~~(b) The dean shall prepare an annual report to the~~
2 ~~legislature accounting for all income and expenditures of the~~
3 ~~revolving fund."]~~

4 SECTION 18. Section 304-8.946, Hawaii Revised Statutes, is
5 repealed.

6 ~~"[~~§304-8.946~~ University of Hawaii Hilo theatre revolving~~
7 ~~fund.~~ There is created within the state treasury a University
8 ~~of Hawaii Hilo theatre revolving fund, which shall consist of~~
9 ~~admissions, advertising sales, corporate sponsorships,~~
10 ~~marketing, merchandising, donations, fund raising, fees,~~
11 ~~charges, and other moneys collected in conjunction with the~~
12 ~~University of Hawaii Hilo theatre program. The revolving fund~~
13 ~~shall be administered by the office of administrative affairs of~~
14 ~~the University of Hawaii Hilo. Funds may be expended for all~~
15 ~~costs associated with the theatre program, including artists'~~
16 ~~fees, production costs, personnel costs, honoraria, per diem,~~
17 ~~hotel and room rentals, food and refreshments, printing and~~
18 ~~mailing, advertising, airfare, leis, rental or purchase of~~
19 ~~equipment, and theater supplies and materials."]~~

20 SECTION 19. Section 304-8.955, Hawaii Revised Statutes, is
21 repealed.

22 ~~"[~~§304-8.955~~ University of Hawaii community services~~
23 ~~special fund.~~ (a) There is established the University of Hawaii

S.B. NO. 2390

1 ~~community services special fund. Except as otherwise provided by~~
2 ~~law, all revenues, including interest, derived and collected from~~
3 ~~the university's provision of public service programs shall be~~
4 ~~deposited into the University of Hawaii community services~~
5 ~~special fund. The university may establish and collect fees and~~
6 ~~charges for public service programs. All revenues deposited into~~
7 ~~the University of Hawaii community services special fund shall be~~
8 ~~used exclusively for the costs of providing public service~~
9 ~~programs. The university may establish accounts under the~~
10 ~~community services special fund to facilitate the administration~~
11 ~~of this fund among the various campuses and operating units of~~
12 ~~the University of Hawaii system. All expenditures from this fund~~
13 ~~shall be subject to legislative appropriation.~~

14 ~~(b) As used in this section, "public service programs"~~
15 ~~means:~~

16 ~~(1) Noncredit educational programs in professional~~
17 ~~development and training, personal growth, and cultural~~
18 ~~enrichment, and~~

19 ~~(2) Cooperative extension and consultative services."]~~

20 SECTION 20. Section 304-8.97, Hawaii Revised Statutes, is
21 repealed.

22 [~~§304-8.97 University of Hawaii alumni revolving fund.~~

23 ~~There is established a revolving fund to be known as the~~

S.B. NO. 2390

1 ~~University of Hawaii alumni revolving fund, into which shall be~~
2 ~~deposited funds and proceeds received by the university from~~
3 ~~alumni activities and donations from alumni. Funds deposited~~
4 ~~into this account may be expended by the university for all costs~~
5 ~~associated with conducting alumni affairs activities and programs~~
6 ~~for the university system, including but not limited to expenses~~
7 ~~for honoraria, hotel and room rentals, food and refreshment,~~
8 ~~printing and mailing, banners and signs, plaques and awards,~~
9 ~~airfare and per diem, leis, rental of audio visual, musical and~~
10 ~~stage equipment, and activity supplies and materials, without~~
11 ~~regard to statutory competitive bidding requirements."]~~

12 SECTION 21. Section 304-8.98, Hawaii Revised Statutes, is
13 repealed.

14 ~~["~~{304-8.98} University of Hawaii graduate application~~~~
15 ~~revolving fund. There is established a University of Hawaii~~
16 ~~graduate application revolving fund for graduate program~~
17 ~~application processing. The board of regents may establish~~
18 ~~appropriate charges for application processing. The revenues~~
19 ~~from such charges shall be deposited into this revolving fund and~~
20 ~~be used to pay the costs of processing applications to all~~
21 ~~graduate programs."]~~

22 SECTION 22. Section 304-68.5, Hawaii Revised Statutes, is
23 repealed.

S.B. NO. 2390

1 ~~["§304-68.5] International exchange health care tourism~~
2 ~~revolving fund.~~ (a) ~~There is established a revolving fund for~~
3 ~~the international exchange of health care tourism program into~~
4 ~~which shall be deposited all donations, gifts, contributions,~~
5 ~~legislative appropriations, and moneys generated by the program~~
6 ~~through education, training, and research contracts and grants.~~
7 ~~Moneys deposited into this fund for the school of medicine and~~
8 ~~the school of nursing shall be divided into separate accounts for~~
9 ~~each school, provided that moneys not designated for use by a~~
10 ~~particular school shall be divided equally. Moneys shall be~~
11 ~~expended from each account by the school of medicine and the~~
12 ~~school of nursing, for student aid, training projects, teaching,~~
13 ~~supplies, services, and activities related to the development and~~
14 ~~promotion of the health related tourism education program.~~

15 ~~(b) The deans of the school of medicine and the school of~~
16 ~~nursing shall jointly prepare and submit an annual report to the~~
17 ~~legislature accounting for all income and expenditures of the~~
18 ~~revolving fund.~~

19 ~~(c) All unexpended and unencumbered moneys appropriated by~~
20 ~~the legislature remaining in the fund at the close of each fiscal~~
21 ~~year which are deemed, by the director of finance, to be in~~
22 ~~excess of the moneys necessary to carry out the purposes of this~~

S.B. NO. 2390

1 ~~section over the next following fiscal year shall lapse to the~~
2 ~~credit of the state general fund."]~~

3 SECTION 23. Section 304-77, Hawaii Revised Statutes, is
4 repealed.

5 ~~["~~§304-77~~ Seed distribution program; revolving fund.~~

6 ~~There is established a revolving fund, the purpose of which shall~~
7 ~~be to enable the seed distribution program to operate at a level~~
8 ~~that will adequately meet the demand for seed. The fund shall be~~
9 ~~used for the cultivation and production of seeds and for research~~
10 ~~and developmental purposes directly related to cultivation and~~
11 ~~production. The fund shall be administered by the college of~~
12 ~~tropical agriculture and human resources of the University of~~
13 ~~Hawaii. All sums withdrawn from the fund shall be reimbursed or~~
14 ~~restored from the proceeds realized through the sale of seeds."]~~

15 SECTION 24. Section 304-112, Hawaii Revised Statutes, is
16 repealed.

17 ~~["~~§304-112~~ Western Governors University special fund.~~

18 ~~There is established in the treasury of the State a Western~~
19 ~~Governors University special fund into which shall be deposited~~
20 ~~all revenues derived from the State's participation in the~~
21 ~~Western Governors University, except University of Hawaii income~~
22 ~~from regular credit tuition and tuition related course and fee~~
23 ~~charges to students. The fund shall be administered by the board~~

S.B. NO. 2390

1 ~~of regents of the University of Hawaii and shall be used for the~~
2 ~~State's membership and participation in the Western Governors~~
3 ~~University. The special fund shall not be subject to sections~~
4 ~~36-27 and 36-30 relating to special fund reimbursements to the~~
5 ~~state general fund."]~~

6 SECTION 25. Section 305-5, Hawaii Revised Statutes, is
7 repealed.

8 [~~§305-5 Community college conference center revolving~~
9 ~~fund.~~ (a) ~~There is established a revolving fund for conference~~
10 ~~center programs conducted by the various community colleges. All~~
11 ~~fees, charges, and other moneys collected in conjunction with the~~
12 ~~conference center programs of each community college shall be~~
13 ~~deposited in separate accounts within the revolving fund. The~~
14 ~~provost of each college or a designee is authorized to expend~~
15 ~~funds from the appropriate account in the revolving fund for all~~
16 ~~costs associated with conducting conferences, seminars, and~~
17 ~~courses by the conference center programs, including but not be~~
18 ~~limited to, expenses for honoraria, hotel and room rentals, food~~
19 ~~and refreshment, printing and mailing, airfare and per diem,~~
20 ~~leis, rental of audio-visual equipment, and conference supplies~~
21 ~~and materials, without regard to section 103-42 and any~~
22 ~~competitive bidding requirements pursuant to state procurement~~
23 ~~requirements.~~

S.B. NO. 2390

1 ~~(b) The provosts of the community colleges shall prepare an~~
2 ~~annual report to the legislature accounting for all income and~~
3 ~~expenditures of each separate account within the revolving~~
4 ~~fund."]~~

5 SECTION 26. Section 308-2, Hawaii Revised Statutes, is
6 repealed.

7 ~~["~~§308-2 Revolving fund.~~ There is established in the state~~
8 ~~treasury a fund to be known as the university parking revolving~~
9 ~~fund. All fees, fines, or other moneys collected under this~~
10 ~~chapter shall be deposited in this fund. All moneys in the fund~~
11 ~~are hereby appropriated for the purposes of and shall be expended~~
12 ~~by the board of regents in the manner specified by section 306-~~
13 ~~10."]~~

14 SECTION 27. All fund balances remaining unencumbered and
15 unexpended as of June 30, 2005, in the transcript and diploma
16 revolving fund, vocational and technical training projects
17 revolving fund, animal research farm, Waialeale, Oahu revolving
18 fund, child care programs revolving fund, library special fund,
19 conference center revolving fund, conference center revolving
20 fund for Hilo campus, university of Hawaii Hilo theatre revolving
21 fund, university of Hawaii community services special fund,
22 university of Hawaii alumni revolving fund, university of Hawaii
23 graduate application revolving fund, international exchange

S.B. NO. 2390

1 health care tourism revolving fund, seed distribution program
2 revolving fund, western governors university special fund,
3 community college conference center revolving fund, and the
4 university parking revolving fund shall be transferred to the
5 credit of the university of Hawaii at Manoa special fund,
6 university of Hawaii at Hilo special fund, university of Hawaii
7 system consolidated special fund, and university of Hawaii-West
8 Oahu special fund as established in sections 1, 2, 3, and 4 of
9 this Act, the community colleges special fund established under
10 section 305-4, Hawaii Revised Statutes, or the university of
11 Hawaii tuition and fees special funds as appropriate.

12 SECTION 28. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 29. This Act shall take effect on July 1, 2006,
15 provided that sections 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19,
16 20, 21, 22, 23, 24, 25, and 26 shall take effect on July 1, 2007.

17

18

INTRODUCED BY:



BY REQUEST

JUSTIFICATION SHEET

SB. NO. 2390

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE FUNDS OF THE UNIVERSITY OF HAWAII.

PURPOSE: The purpose of this bill is to consolidate various special and revolving funds of the University of Hawaii for efficient management and greater flexibility into four special funds:
University of Hawaii at Manoa Special Fund, University of Hawaii at Hilo Special Fund, University of Hawaii-West Oahu Special Fund, and University of Hawaii Systemwide Support Special Fund.

MEANS: Add four new sections to chapter 304, amend sections 304-1.5, 304-8.1, 304-8.41(c), 304-8.7, 304-8.96, and 305-4, and repeal sections 304-8.3, 304-8.4, 304-8.5, 304-8.91, 304-8.93, 304-8.94, 304-8.945, 304-8.946, 304-8.955, 304-8.97, 304-8.98, 304-68.5, 304-77, 304-112, 305-5, and 308-2, Hawaii Revised Statutes.

JUSTIFICATION: The University of Hawaii System has over forty special and revolving funds. This bill repeals a number of special funds and creates four special funds. Some of these funds being repealed are outdated and are no longer being used, while others will be combined for programmatic purposes. Accounts will be established in the appropriate new special funds for the program's continued use. Funds to be repealed include:

- Transcript and Diploma Revolving Fund
- Vocational and Technical Training Projects Revolving Fund
- Animal Research Farm, Waialeale, Oahu Revolving Fund
- Child Care Programs Revolving Fund
- Library Special Fund

- Conference Center Revolving Fund
- Conference Center Revolving Fund for Hilo Campus
- University of Hawaii-Hilo Theatre Revolving Fund
- University of Hawaii Community Services Special Fund
- University of Hawaii Alumni Revolving Fund
- University of Hawaii Graduate Application Revolving Fund
- International Exchange Health Care Tourism Revolving Fund
- Seed Distribution Revolving Fund
- Western Governors University Special Fund
- Community College Conference Center Revolving Fund
- University Parking Revolving Fund

The University is also reclassifying four revolving funds as special funds to better reflect their usage. They include:

- Research and Training Special Fund
- University of Hawaii at Manoa Intercollegiate Athletic Special Fund and University of Hawaii at Hilo Intercollegiate Athletic Special Fund
- University of Hawaii Housing Assistance Special Fund

Creating campus special funds provides greater flexibility in establishing new programs without having to create new special funds. As the University of Hawaii becomes increasingly fee conscious, hosts new activities, and establishes nontraditional training and consultative services it will need flexibility in the use of its special funds. The University is charged with generating more of its operating revenue and this bill will simplify funding of programs with multiple funding sources. Consolidation of special funds is consistent with the streamlining and efficient management of these funds.

SB. NO. 2390

The creation of campus funds will be in alignment with the program ID format for budgetary purposes.

Impact on the public: None.

Impact on the department and other agencies:
This will allow the University of Hawaii system to more efficiently manage the funds.

GENERAL FUNDS: None.

OTHER FUNDS: None.

PPBS PROGRAM
DESIGNATION: UOH-100, UOH-210, UOH-700, UOH-800, UOH-900

OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2006, provided that section 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, and 26 shall take effect on July 1, 2007.