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# 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 existing state law  
2 does not allow the use of food distribution program revolving  
3 funds for consultant or personal services, travel expenses, and  
4 the purchase of furniture, equipment, computer hardware, or  
5 office supplies. The legislature finds that these uses may be  
6 allowed under 7 Code of Federal Regulations Section 250.15,  
7 which includes program-related expenses as allowable costs for  
8 which recipient agencies may be required to pay in full or in  
9 part. These program-related expenses are "administrative costs  
10 such as fringe benefits, travel expenses, rent, utilities,  
11 accounting/auditing services, computer services, and the costs  
12 of providing program services to recipient agencies such as the  
13 cost for administering and monitoring the State's processing  
14 program, and technical assistance workshops." The legislature  
15 finds that current state law is unnecessarily restrictive and  
16 places a financial strain on the department of education's  
17 funds.



1           The purpose of this Act is to remove unnecessary  
2 restrictions on the use of food distribution program revolving  
3 funds and allow the use of the funds to support the  
4 administration and operation of the food distribution program  
5 pursuant to 7 Code of Federal Regulations Section 250.15.

6           SECTION 2. Section 302A-1315, Hawaii Revised Statutes, is  
7 amended to read as follows:

8           " ~~[+]~~ §302A-1315 ~~[+]~~ Food distribution program revolving  
9 fund. (a) There is established the food distribution program  
10 revolving fund to be administered by the department.

11           (b) The food distribution program revolving fund shall  
12 consist of:

13           (1) Administrative fees collected by the department for  
14 administering and operating the food distribution  
15 program;

16           (2) All interest earned on the deposit or investment of  
17 moneys in the food distribution program revolving  
18 fund; and

19           (3) Any other moneys made available to the food  
20 distribution program revolving fund from other  
21 sources.



1 (c) The food distribution program revolving fund shall be  
2 used by the department for the collection and disbursement of  
3 generated revenue to support the administration and operation of  
4 the food distribution program[-] pursuant to 7 Code of Federal  
5 Regulations Section 250.15.

6 (d) The balance in the food distribution program revolving  
7 fund shall not exceed \$2,000,000 to pay for services rendered by  
8 state-contracted warehouses for the distribution of federal  
9 commodity foods to the recipient agencies. Any moneys remaining  
10 in the revolving fund in excess of \$2,000,000 at the end of each  
11 fiscal year shall lapse to the credit of the general fund.

12 ~~[(c) The food distribution program revolving fund shall~~  
13 ~~not be used for:~~

14 ~~(1) Consultant or personal services rendered;~~

15 ~~(2) Travel expenses that may include conference~~  
16 ~~registration, per diem, or airfare costs; or~~

17 ~~(3) The purchase of furniture, equipment, computer~~  
18 ~~hardware, or office supplies.] "~~

19 SECTION 3. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2010.



**Report Title:**

Food Distribution Program Revolving Fund; Allowable Uses

**Description:**

Allows use of the Food Distribution Program Revolving Fund for program-related expenses, such as consultant or personal services, travel expenses, and the purchase of furniture, equipment, computer hardware, or office supplies, as allowed under Title 7, Section 250.15, of the Code of Federal Regulations. (HB1854 CD1)

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