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## A BILL FOR AN ACT

RELATING TO CERTAIN FUNDS OF THE UNIVERSITY OF HAWAII.

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

1           SECTION 1.   Section 304A-2252, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           " ~~[+]§304A-2252[+]~~   Child care programs ~~[revolving]~~ special  
4 fund.  There is established a child care programs ~~[revolving]~~  
5 special fund for the operation of child care programs  
6 established under section 304A-116 and the construction and  
7 renovation of child care centers established by the University  
8 of Hawaii.  Fees charged for child care at child care programs,  
9 proceeds from donations to the university for child care  
10 programs, and proceeds from loans or other instruments of  
11 indebtedness for the construction or renovation of child care  
12 centers shall be deposited into the ~~[revolving]~~ special fund.  
13 Expenditures from the ~~[revolving]~~ special fund shall be made for  
14 the operation of child care programs and payment of principal  
15 and interest on obligations incurred for the construction or  
16 renovation of child care centers."

17           SECTION 2.   Section 304A-2253, Hawaii Revised Statutes, is  
18 amended as follows:



1           1. By amending subsection (a) to read:

2           "(a) There is established a University of Hawaii research  
3 and training revolving fund into which shall be deposited one  
4 hundred per cent of the total amount of indirect overhead  
5 revenues generated by the university from research and training  
6 programs. The board of regents is authorized to expend one  
7 hundred per cent of the revenues deposited in the fund for:

8           (1) Research and training purposes that may result in  
9           additional research and training grants and contracts;

10          (2) Facilitating research and training at the university;  
11          and

12          (3) Further deposit into the discoveries and inventions  
13 revolving fund [~~and the University of Hawaii housing~~  
14 ~~assistance revolving fund~~]."

15          2. By amending subsection (c) to read:

16          "(c) Notwithstanding sections 304A-107 [7] and  
17 [~~304A-2254 [7], and [304A-2258]~~] to the contrary, the board of  
18 regents or its designee, may establish a separate account within  
19 the research and training revolving fund for the purpose of  
20 providing advance funding to meet reimbursable costs incurred in  
21 connection with federally financed research and training  
22 projects. Any reimbursement received as a result of providing



1 advance funding shall be deposited into the research and  
2 training revolving fund to be used for the purpose of meeting  
3 reimbursable costs incurred in connection with federally  
4 financed projects."

5 SECTION 3. Section 304A-2254, Hawaii Revised Statutes, is  
6 amended to read as follows:

7 "[~~§~~304A-2254~~§~~] **Discoveries and inventions revolving**  
8 **fund.** There is established a discoveries and inventions  
9 [~~revolving~~] special fund into which shall be deposited a portion  
10 of the total indirect overhead funds generated by the university  
11 for research and training purposes in the prior fiscal year, as  
12 determined by the board of regents. Appropriations by the  
13 legislature subject to the approval of the governor, proceeds  
14 from the commercial exploitation of inventions and intellectual  
15 property developed at the university, gifts, donations, fees  
16 collected, and grants from public agencies and private persons  
17 may also be deposited into the special fund for the purposes of  
18 supporting innovation and research commercialization and the  
19 patenting, copyrighting, licensing, and marketing of  
20 discoveries, inventions, and technologies developed at the  
21 university. The special fund shall be used to develop  
22 technologies that have potential commercial value, support the



1 administration of technology transfer activities, and facilitate  
2 economic development through education and research undertaken  
3 at the university."

4 SECTION 4. Section 304A-2259, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "[~~§~~304A-2259~~§~~] University of Hawaii alumni [~~revolving~~]  
7 special fund. There is established the University of Hawaii  
8 alumni [~~revolving~~] special fund into which shall be deposited  
9 funds and proceeds received by the university from alumni  
10 activities and donations from alumni. Funds deposited into this  
11 [~~revolving~~] special fund may be expended by the university for  
12 all costs associated with conducting alumni affairs, activities,  
13 and programs for the university system, including but not  
14 limited to expenses for honoraria, hotel and room rentals, food  
15 and refreshment, printing and mailing, banners and signs,  
16 plaques and awards, airfare and per diem, leis, rental of  
17 audiovisual, musical, and stage equipment, and activity supplies  
18 and materials, without regard to statutory competitive bidding  
19 requirements."

20 SECTION 5. Section 304A-2261, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           " [†]§304A-2261[†]   University of Hawaii at Manoa  
2   intercollegiate athletics [~~revolving~~] special fund and  
3   University of Hawaii at Hilo intercollegiate athletics  
4   [~~revolving~~] special fund.   Notwithstanding any other law to the  
5   contrary, there are established the University of Hawaii at  
6   Manoa intercollegiate athletics [~~revolving~~] special fund and the  
7   University of Hawaii at Hilo intercollegiate athletics  
8   [~~revolving~~] special fund for the intercollegiate athletic  
9   programs of the University of Hawaii at Manoa and the University  
10   of Hawaii at Hilo, which shall be used to receive, deposit,  
11   disburse, and account for funds from the activities of the  
12   intercollegiate athletic programs.   The university may establish  
13   appropriate charges for activities related to its athletic  
14   programs and the use of its athletic facilities, the proceeds  
15   from which shall be deposited into these [~~revolving~~] special  
16   funds.

17           The university shall maintain the financial integrity and  
18   viability of these [~~revolving~~] special funds, including the  
19   maintenance of an adequate reserve to cope with the various  
20   factors that impact the revenue structure of an intercollegiate  
21   athletic program."



1 SECTION 6. Section 304A-2262, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§304A-2262[+] Animal research farm, Waialeale, Oahu  
4 [~~revolving~~] special fund. There is established the animal  
5 research farm, Waialeale, Oahu [~~revolving~~] special fund for the  
6 animal research farm, Waialeale, Oahu, operated by the college of  
7 tropical agriculture and human resources of the University of  
8 Hawaii, into which shall be deposited the receipts from fees  
9 realized from the sale of livestock, services, and supplies.  
10 Funds deposited into this [~~revolving~~] special fund shall be  
11 expended for animal research, and services and supplies related  
12 thereto."

13 SECTION 7. Section 304A-2271, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "[+]§304A-2271[+] University of Hawaii-Hilo theatre  
16 [~~revolving~~] special fund. There is established the University  
17 of Hawaii-Hilo theatre [~~revolving~~] special fund, which shall  
18 consist of admissions, advertising sales, corporate  
19 sponsorships, marketing, merchandising, donations, fund-raising,  
20 fees, charges, and other moneys collected in conjunction with  
21 the University of Hawaii-Hilo theatre program. The [~~revolving~~]  
22 special fund shall be administered by the office of



1 administrative affairs of the University of Hawaii at Hilo.  
2 Funds may be expended for all costs associated with the theatre  
3 program, including artists' fees, production costs, personnel  
4 costs, honoraria, per diem, hotel and room rentals, food and  
5 refreshments, printing and mailing, advertising, airfare, leis,  
6 rental or purchase of equipment, and theater supplies and  
7 materials."

8 SECTION 8. Section 304A-2158, Hawaii Revised Statutes, is  
9 repealed.

10 ~~["[§304A-2158]—Western Governors University special fund.~~  
11 ~~There is established a Western Governors University special fund~~  
12 ~~into which shall be deposited all revenues derived from the~~  
13 ~~State's participation in the Western Governors University,~~  
14 ~~except University of Hawaii income from tuition and fees charged~~  
15 ~~for regular courses of instruction and tuition related course~~  
16 ~~and fee charges to students. The fund shall be administered by~~  
17 ~~the board of regents of the University of Hawaii and shall be~~  
18 ~~used for the State's membership and participation in the Western~~  
19 ~~Governors University." ]~~

20 SECTION 9. Section 304A-2258, Hawaii Revised Statutes, is  
21 repealed.



1           ~~["§304A-2258] University of Hawaii housing assistance~~  
2 ~~revolving fund.~~ There is established the University of Hawaii  
3 ~~housing assistance revolving fund into which shall be deposited~~  
4 ~~a portion of the total indirect overhead funds generated by the~~  
5 ~~university for research and training purposes in the prior~~  
6 ~~fiscal year as determined by the board of regents.~~ The fund  
7 shall be used to:

- 8           ~~(1) Implement the university housing assistance master~~  
9           ~~plan, in accordance with policies adopted by the board~~  
10           ~~of regents; and~~
- 11           ~~(2) Account for all transactions of the university housing~~  
12           ~~assistance program, including but not limited to~~  
13           ~~revenues, expenditures, loans, and transfers."]~~

14           SECTION 10. Section 304A-2265, Hawaii Revised Statutes, is  
15 repealed.

16           ~~["§304A-2265] International exchange healthcare tourism~~  
17 ~~revolving fund.~~ (a) ~~There is established the international~~  
18 ~~exchange healthcare tourism revolving fund for the international~~  
19 ~~exchange of healthcare tourism program into which shall be~~  
20 ~~deposited all donations, gifts, contributions, legislative~~  
21 ~~appropriations, and moneys generated by the program through~~  
22 ~~education, training, and research contracts and grants.~~ Moneys





1 ~~deposited into this fund for the school of medicine and the~~  
2 ~~school of nursing and dental hygiene shall be divided into~~  
3 ~~separate accounts for each school, provided that moneys not~~  
4 ~~designated for use by a particular school shall be divided~~  
5 ~~equally. Moneys shall be expended from each account by the~~  
6 ~~school of medicine and the school of nursing and dental hygiene,~~  
7 ~~for student aid, training projects, teaching, supplies,~~  
8 ~~services, and activities related to the development and~~  
9 ~~promotion of the health related tourism education program.~~

10 ~~(b) All unexpended and unencumbered moneys appropriated by~~  
11 ~~the legislature remaining in the fund at the close of each~~  
12 ~~fiscal year that are deemed, by the director of finance, to be~~  
13 ~~in excess of the moneys necessary to carry out the purposes of~~  
14 ~~this section over the next following fiscal year shall lapse to~~  
15 ~~the credit of the state general fund." ]~~

16 SECTION 11. Section 304A-2269, Hawaii Revised Statutes, is  
17 repealed.

18 ~~["§304A-2269] Community college and University of Hawaii~~  
19 ~~at Hilo bookstore revolving fund. There is established the~~  
20 ~~community college and University of Hawaii at Hilo bookstore~~  
21 ~~revolving fund for the community college and University of~~  
22 ~~Hawaii at Hilo bookstores, from which shall be paid the cost of~~



1 ~~goods or services rendered or furnished to the bookstores and~~  
2 ~~which shall be replenished through charges made for goods and~~  
3 ~~services or through transfers from other accounts or funds." ]~~

4 SECTION 12. Section 304A-2353, Hawaii Revised Statutes, is  
5 repealed.

6 ~~[ " [§304A-2353] The Senator Hiram L. Fong scholarship~~  
7 ~~program; endowment trust. (a) There is established the Senator~~  
8 ~~Hiram L. Fong scholarship program to be administered by the~~  
9 ~~university with proceeds from an endowment trust that shall~~  
10 ~~receive its initial funding by an appropriation out of the~~  
11 ~~general revenues of the State. The program shall provide~~  
12 ~~financial support to students enrolled at any campus of the~~  
13 ~~university.~~

14 ~~(b) Awards shall be granted annually to one female student~~  
15 ~~and one male student who:~~

- 16 ~~(1) Are graduates of a public high school in the State;~~  
17 ~~(2) Are upperclassmen at the university;~~  
18 ~~(3) Submit winning essays to the board of regents on the~~  
19 ~~senator's contributions to Hawaii;~~  
20 ~~(4) Have a demonstrated commitment to local community~~  
21 ~~issues, as shown by volunteer work and participation~~  
22 ~~in community organizations; and~~



1       ~~(5) Have a demonstrated interest and knowledge of the~~  
2             ~~history of immigration to Hawaii.~~

3       ~~(c) The amount to be awarded to a student shall be~~  
4 ~~determined by the board of regents with due regard to the total~~  
5 ~~amount of funds available for the program. The award that a~~  
6 ~~student receives under this program may be used to:~~

7       ~~(1) Pay for the costs of tuition and fees for a single~~  
8             ~~academic year;~~

9       ~~(2) Pay for the costs of textbooks and other instructional~~  
10            ~~materials for a single academic year;~~

11       ~~(3) Pay for the costs of room and board at a dormitory or~~  
12            ~~apartment maintained by the university for a single~~  
13            ~~academic year; or~~

14       ~~(4) Defray the difference between student need, as~~  
15            ~~determined by the Free Application for Federal Student~~  
16            ~~Aid, and the total cost of attendance for a single~~  
17            ~~academic year.~~

18       ~~(d) The board of regents shall adopt rules to implement~~  
19 ~~the Senator Hiram L. Fong scholarship program. The rules shall~~  
20 ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
21 ~~public notice and public hearing requirements.~~



1       ~~(c) The scholarship program shall be funded with proceeds~~  
2       ~~from an endowment trust established with initial funding by an~~  
3       ~~appropriation out of the general revenues of the State and shall~~  
4       ~~be administered by the board of regents for the purposes of~~  
5       ~~supporting the Senator Hiram L. Fong scholarship program." ]~~

6       SECTION 13. Section 304A-2354, Hawaii Revised Statutes, is  
7       repealed.

8       ~~["§304A-2354] The Senator Oren E. Long scholarship~~  
9       ~~program; endowment trust. (a) There is established the Senator~~  
10       ~~Oren E. Long scholarship program to be administered by the~~  
11       ~~university with proceeds from an endowment trust that shall~~  
12       ~~receive its initial funding by an appropriation out of the~~  
13       ~~general revenues of the State. The program shall provide~~  
14       ~~financial support to students enrolled at any campus of the~~  
15       ~~university.~~

16       ~~(b) Awards shall be granted annually to one female student~~  
17       ~~and one male student who:~~

- 18       ~~(1) Are graduates of a public high school in the State;~~  
19       ~~(2) Are upperclassmen at the university; and~~  
20       ~~(3) Submit winning essays to the board of regents on the~~  
21       ~~senator's contributions to Hawaii.~~



1       ~~(c) The amount to be awarded to a student shall be~~  
2 ~~determined by the board of regents with due regard to the total~~  
3 ~~amount of funds available for the program. The award that a~~  
4 ~~student receives under this program may be used to:~~

5       ~~(1) Pay for the costs of tuition and fees for a single~~  
6       ~~academic year;~~

7       ~~(2) Pay for the costs of textbooks and other instructional~~  
8       ~~materials for a single academic year;~~

9       ~~(3) Pay for the costs of room and board at a dormitory or~~  
10       ~~apartment maintained by the university for a single~~  
11       ~~academic year; or~~

12       ~~(4) Defray the difference between student need, as~~  
13       ~~determined by the Free Application for Federal Student~~  
14       ~~Aid, and the total cost of attendance for a single~~  
15       ~~academic year.~~

16       ~~(d) The board of regents shall adopt rules to implement~~  
17 ~~the Senator Oren E. Long scholarship program. The rules shall~~  
18 ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
19 ~~public notice and public hearing requirements.~~

20       ~~(e) The scholarship program shall be funded with proceeds~~  
21 ~~from an endowment trust established with initial funding by an~~  
22 ~~appropriation out of the general revenues of the State and shall~~



1 ~~be administered by the board of regents for the purposes of~~  
2 ~~supporting the Senator Oren E. Long scholarship program."]~~

3 SECTION 14. All fund balances remaining unencumbered and  
4 unexpended as of June 30, 2011 in the University of Hawaii  
5 housing assistance revolving fund shall be transferred to the  
6 credit of the Manoa faculty housing program under the University  
7 of Hawaii auxiliary enterprises special fund established under  
8 section 304A-2157, Hawaii Revised Statutes.

9 SECTION 15. The conversion of revolving funds to special  
10 funds pursuant to sections 1, 3, 4, 5, 6, and 7 of this Act  
11 shall in no way be construed as an authorization to remove,  
12 alter, or amend any moneys from any revolving fund other than  
13 for the purposes of this Act and for the allowable uses under  
14 relevant law.

15 SECTION 16. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 17. This Act shall take effect on July 1, 2011.

18

INTRODUCED BY:



JAN 25 2011



**Report Title:**

University of Hawaii; Special Funds

**Description:**

Converts certain revolving funds of the University of Hawaii into special funds; repeals certain funds of the University of Hawaii and transfers the remaining balances to the University of Hawaii auxiliary enterprises special fund.

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