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## A BILL FOR AN ACT

RELATING TO FEDERAL FUNDS.

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

1           SECTION 1. Section 29-25, Hawaii Revised Statutes, is  
2 amended to read as follows:

3           "**§29-25 Department of education; federal funds; general**  
4 **fund offset.** (a) [~~Federal impact aid,~~] United States  
5 Department of Defense funds[~~]~~] and federal indirect overhead  
6 reimbursements received by the department of education shall not  
7 be returned to the general fund. To the extent permitted by  
8 federal law, federal impact aid received by the department of  
9 education shall be transferred to the general fund.

10           (b) If the amount of [~~federal impact aid and~~] United  
11 States Department of Defense funds received by the department of  
12 education exceeds the authorized appropriation in the general  
13 appropriations act or the supplemental appropriations act, then  
14 the governor shall[+]

15           ~~(1)~~ Allow] allow the department of education to increase  
16 the federal fund expenditure ceiling for all program  
17 identification numbers, each by an amount  
18 proportionate to its portion of the total general fund



1 appropriation made by the legislature and by the  
2 amount that the [~~federal impact aid and~~] United States  
3 Department of Defense funds received by the department  
4 of education exceeds the authorized appropriation in  
5 the general appropriations act or the supplemental  
6 appropriations act[~~, and~~

7 ~~(2) Allow the department of education to retain the full~~  
8 ~~amount of the general fund offset created by increased~~  
9 ~~impact aid receipts; provided that the department~~  
10 ~~shall not use the general fund offset to create new~~  
11 ~~programs or expand existing programs].~~

12 (c) Beginning July 1, 2004, and for each fiscal year  
13 thereafter, [~~the department of education may set aside~~] \$100,000  
14 of federal impact aid moneys received pursuant to this section  
15 may be set aside to:

- 16 (1) Establish and fund a permanent, full-time military  
17 liaison position within the department of education;  
18 and  
19 (2) Fund the joint venture education program to facilitate  
20 interaction between the military community and the  
21 department of education.



1           The military liaison position established under paragraph  
2 (1) shall be exempt from chapter 76 but shall be eligible to  
3 receive the benefits of any state or federal employee benefit  
4 program generally applicable to officers and employees of the  
5 State.

6           (d) The department of education shall submit a report to  
7 the legislature, not fewer than twenty days prior to the  
8 convening of each regular session, concerning the exact amount  
9 and specific nature of [~~federal impact aid,~~] United States  
10 Department of Defense funds[~~,~~] and federal indirect overhead  
11 reimbursements received under this section."

12           SECTION 2. Section 302A-1401, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14           "(a) The board, designated as the administrators of such  
15 funds, other than federal impact aid, as may be allotted to the  
16 State under federal legislation for public educational purposes,  
17 subject to such limitations as may be imposed by congressional  
18 action, shall use and expend the funds:

19           (1) To improve the program of the public schools of the  
20 State, including any grades up to the fourteenth grade  
21 or such lower grade as shall be prescribed as a  
22 maximum for such purposes by the Act of Congress



- 1           concerned, by expanding the educational offerings,  
2           particularly in the rural districts;  
3       (2) For the payment of salaries to teachers;  
4       (3) To employ additional teachers to relieve overcrowded  
5           classes;  
6       (4) To adjust the salaries of teachers to meet the  
7           increased cost of living, within such limits as may be  
8           fixed by, and pursuant to, state law;  
9       (5) To provide for the purchase of supplies, apparatus,  
10           and materials for the public schools; and  
11       (6) For any of such purposes and to such extent as shall  
12           be permitted by the Acts of Congress concerned."

13           SECTION 3. Section 302A-1404, Hawaii Revised Statutes, is  
14 amended by amending subsection (b) to read as follows:

15           "(b) Each fiscal year [~~the department of education may set~~  
16 aside] \$100,000 of federal impact aid moneys received pursuant  
17 to this section may be set aside to:

- 18       (1) Establish and fund a permanent, full-time military  
19           liaison position within the department of education;  
20           and



1           (2) Fund the joint venture education forum to facilitate  
 2                   interaction between the military community and the  
 3                   department of education.

4           The military liaison position established under paragraph  
 5 (1) shall be exempt from chapter 76 but shall be eligible to  
 6 receive the benefits of any state or federal employee benefit  
 7 program generally applicable to officers and employees of the  
 8 State."

9           SECTION 4. All actions taken under this Act shall comply  
 10 with applicable federal laws and regulations and shall not  
 11 jeopardize the receipt of any federal aid.

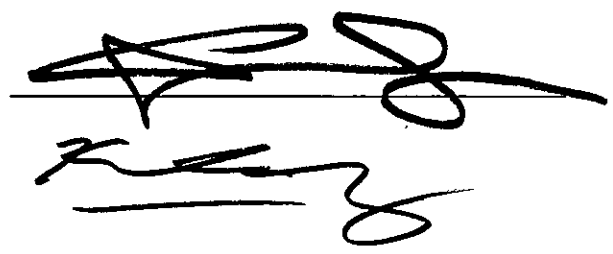
12           SECTION 5. If any provision of this Act, or the  
 13 application thereof to any person or circumstance, is held  
 14 invalid, the invalidity does not affect other provisions or  
 15 applications of the Act that can be given effect without the  
 16 invalid provision or application, and to this end the provisions  
 17 of this Act are severable.

18           SECTION 6. Statutory material to be repealed is bracketed  
 19 and stricken. New statutory material is underscored.

20           SECTION 7. This Act shall take effect on July 1, 2014.

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INTRODUCED BY:



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H.B. NO. 2425

Ken Ben

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Cindy Evans

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JAN 22 2014



# H.B. NO. 2425

**Report Title:**

Federal Funds; Impact Aid; Education

**Description:**

Directs federal impact aid into the general fund.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

