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# A BILL FOR AN ACT

RELATING TO FUNDS.

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

1 PART I

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

5 "§304A- University of Hawaii quasi-endowment trust fund.

6 There is established the University of Hawaii quasi-endowment  
7 trust fund into which shall be deposited income derived from the  
8 university's endowment fund. Income deposited into this account  
9 may be expended by the university as set forth by the board of  
10 regents in policies and guidelines for costs and expenses  
11 associated with student financial aid programs, including  
12 scholarships and student support services, awards, and project  
13 opportunities for the university."

14 PART II

15 SECTION 2. The purpose of this part is to repeal the  
16 University of Hawaii community services special fund.



1           The legislature finds that the fund does not meet the  
2 criteria for a special fund and should be repealed.

3           SECTION 3. Section 304A-2156, Hawaii Revised Statutes, is  
4 repealed.

5           ~~["[§304A-2156] University of Hawaii community services~~  
6 ~~special fund. (a) There is established the University of~~  
7 ~~Hawaii community services special fund. Except as otherwise~~  
8 ~~provided by law, all revenues, including interest, derived and~~  
9 ~~collected from the university's provision of public service~~  
10 ~~programs shall be deposited into the University of Hawaii~~  
11 ~~community services special fund. The university may establish~~  
12 ~~and collect fees and charges for public service programs. All~~  
13 ~~revenues deposited into the University of Hawaii community~~  
14 ~~services special fund shall be used exclusively for the costs of~~  
15 ~~providing public service programs. The university may establish~~  
16 ~~accounts under the community services special fund to facilitate~~  
17 ~~the administration of this fund among the various campuses and~~  
18 ~~operating units of the University of Hawaii system. All~~  
19 ~~expenditures from this fund shall be subject to legislative~~  
20 ~~appropriation.~~





1 SECTION 6. Section 304A-703, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§304A-703[+] Capacity of minors in qualifying for  
4 Hawaii educator loans. Any student otherwise qualifying for a  
5 loan under the Hawaii educator loan program [~~special~~] revolving  
6 fund shall not be disqualified because the student is under the  
7 age of eighteen years, and for the purpose of applying for,  
8 receiving, and repaying the loan, any such person shall be  
9 deemed to have full legal capacity to act and shall have all  
10 rights, powers, privileges, and obligations of an adult with  
11 respect thereto."

12 SECTION 7. Section 304A-704, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 "[+]§304A-704[+] Rules governing Hawaii educator loan  
15 program [~~special~~] revolving fund. The university may adopt  
16 rules to implement the Hawaii educator loan program. The rules  
17 shall be adopted pursuant to chapter 91 but shall be exempt from  
18 the public notice and public hearing requirements."

19 SECTION 8. Section 304A-2161, Hawaii Revised Statutes, is  
20 amended to read as follows:



1 " ~~[+]§304A-2161[+]~~ Hawaii educator loan program ~~[special]~~  
2 revolving fund. There is established the Hawaii educator loan  
3 program ~~[special]~~ revolving fund, for the purpose of providing  
4 loans pursuant to section ~~[+]304A-701[+]~~. ~~[The following may be~~  
5 ~~deposited into the special fund: appropriations]~~ Appropriations  
6 made by the legislature, private contributions, repayment of  
7 loans, including interest and payments received on account of  
8 principal, and moneys from other sources ~~[; provided that:~~  
9 ~~(1) Moneys on balance in the special fund at the close of~~  
10 ~~each fiscal year shall remain in that fund and shall~~  
11 ~~not lapse to the credit of the general fund; and~~  
12 ~~(2)] shall be deposited into the revolving fund and shall~~  
13 ~~be expended by the University.~~ An amount from the  
14 ~~[special]~~ revolving fund not exceeding five per cent  
15 of the total amount of outstanding loans may be set by  
16 the university to be used for administrative expenses  
17 incurred in administering the ~~[special]~~ revolving  
18 fund."

## PART IV

20 SECTION 9. The purpose of this part is to reclassify the  
21 community colleges special fund as a revolving fund.



1 SECTION 10. Section 304A-2162, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 " ~~[+]§304A-2162 [+~~ Community colleges ~~[special]~~ revolving  
4 fund. (a) Section ~~[+]304A-2003 [+~~ notwithstanding, there is  
5 established a community colleges ~~[special]~~ revolving fund to  
6 receive, disburse, and account for funds of programs and  
7 activities of the community colleges, including but not limited  
8 to off-campus programs, summer session programs, overseas  
9 programs, evening sessions, study abroad, exchange programs,  
10 cultural enrichment programs, and consultative services that  
11 help make available the resources of the community colleges to  
12 the communities they serve.

13 (b) The ~~[special]~~ revolving fund may include deposits  
14 from:

15 (1) The University of Hawaii tuition and fees special fund  
16 established in section ~~[+]304A-2153 [+~~;

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

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

21 (A) Student health;



- 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) Other related activities."

8 PART V

9 SECTION 11. The purpose of this part is to repeal the  
10 Hawaii medical education special fund.

11 The legislature finds that the fund no longer serves the  
12 purpose for which it was created, does not meet the criteria for  
13 a special fund, and should be repealed.

14 SECTION 12. Section 304A-1702, Hawaii Revised Statutes, is  
15 amended by amending subsections (b), (c), and (d) to read as  
16 follows:

17 "~~(b) The program shall be funded with moneys received for~~  
18 ~~graduate medical education and deposited into the Hawaii medical~~  
19 ~~education special fund established under section [304A-2164].~~

20 ~~(e)]~~ (b) All funding for the graduate medical education  
21 program shall be nonlapsing.



- 1           ~~[(d)]~~ (c) Program moneys shall only be expended if:
- 2           (1) Approved by the medical education council; and
- 3           (2) Used for graduate medical education in accordance with
- 4           sections ~~[+]304A-1704 [+] and [+]304A-1705 [+]~~."

5           SECTION 13. Section 304A-2164, Hawaii Revised Statutes, is

6 repealed.

7           ~~["§304A-2164—Hawaii medical education special fund.~~

8 ~~There is established a Hawaii medical education special fund,~~

9 ~~into which shall be deposited all funds received by the medical~~

10 ~~education council, including:~~

- 11           ~~(1) Moneys from the federal Centers for Medicaid and~~
- 12           ~~Medicare Services or other federal agencies;~~
- 13           ~~(2) State appropriations; and~~
- 14           ~~(3) Grants, contracts, donations, or private~~
- 15           ~~contributions.~~

16 ~~The fund shall be administered by the university. Moneys~~

17 ~~deposited in the fund shall be expended by the university for~~

18 ~~the purposes of the graduate medical education program~~

19 ~~established under section [304A-1702]."]~~

20





## 1 PART VI

2 SECTION 14. The purpose of this part is to repeal the  
3 discoveries and inventions special fund.

4 The legislature finds that the fund does not meet the  
5 criteria for a special fund and should be repealed.

6 SECTION 15. Section 304A-2253, Hawaii Revised Statutes, is  
7 amended by amending subsection (c) to read as follows:

8 "(c) Notwithstanding [~~sections~~] section 304A-107 [~~and~~  
9 ~~{304A-2174}~~] to the contrary, the board of regents, or its  
10 designee, may establish a separate account within the research  
11 and training revolving fund for the purpose of providing advance  
12 funding to meet reimbursable costs incurred in connection with  
13 federally financed research and training projects. Any  
14 reimbursement received as a result of providing advance funding  
15 shall be deposited into the research and training revolving fund  
16 to be used for the purpose of meeting reimbursable costs  
17 incurred in connection with federally financed projects."

18 SECTION 16. Section 304A-2174, Hawaii Revised Statutes, is  
19 repealed.

20 ["~~{304A-2174}~~ Discoveries and inventions special fund.

21 ~~There is established a discoveries and inventions special fund~~



1 ~~into which shall be deposited a portion of the total indirect~~  
2 ~~overhead funds generated by the university for research and~~  
3 ~~training purposes in the prior fiscal year, as determined by the~~  
4 ~~board of regents. Appropriations by the legislature subject to~~  
5 ~~the approval of the governor, proceeds from the commercial~~  
6 ~~exploitation of inventions and intellectual property developed~~  
7 ~~at the university, gifts, donations, fees collected, and grants~~  
8 ~~from public agencies and private persons may also be deposited~~  
9 ~~into the special fund for the purposes of supporting innovation~~  
10 ~~and research commercialization and the patenting, copyrighting,~~  
11 ~~licensing, and marketing of discoveries, inventions, and~~  
12 ~~technologies developed at the university. The special fund~~  
13 ~~shall be used to develop technologies that have potential~~  
14 ~~commercial value, support the administration of technology~~  
15 ~~transfer activities, and facilitate economic development through~~  
16 ~~education and research undertaken at the university." ]~~

17 PART VII

18 SECTION 17. The purpose of this part is to repeal the  
19 University of Hawaii alumni special fund.

20 The legislature finds that the fund no longer serves the  
21 purpose for which it was created and should be repealed.



1 SECTION 18. Section 304A-2175, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2175] University of Hawaii alumni special fund.~~  
4 ~~There is established the University of Hawaii alumni special~~  
5 ~~fund into which shall be deposited funds and proceeds received~~  
6 ~~by the university from alumni activities and donations from~~  
7 ~~alumni. Funds deposited into this special fund may be expended~~  
8 ~~by the university for all costs associated with conducting~~  
9 ~~alumni affairs, activities, and programs for the university~~  
10 ~~system, including but not limited to expenses for honoraria,~~  
11 ~~hotel and room rentals, food and refreshment, printing and~~  
12 ~~mailing, banners and signs, plaques and awards, airfare and per~~  
13 ~~diem, leis, rental of audiovisual, musical, and stage equipment,~~  
14 ~~and activity supplies and materials, without regard to statutory~~  
15 ~~competitive bidding requirements." ]~~

16 PART VIII

17 SECTION 19. The purpose of this part is to repeal the  
18 animal research farm, Waialeale, Oahu special fund.

19 The legislature finds that the fund no longer serves its  
20 original purpose, does not meet the criteria for a special fund,  
21 and should be repealed.



1 SECTION 20. Section 304A-2177, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2177] Animal research farm, Waialeale, Oahu special~~  
4 ~~fund. There is established the animal research farm, Waialeale,~~  
5 ~~Oahu special fund for the animal research farm, Waialeale, Oahu,~~  
6 ~~operated by the college of tropical agriculture and human~~  
7 ~~resources of the University of Hawaii, into which shall be~~  
8 ~~deposited the receipts from fees realized from the sale of~~  
9 ~~livestock, services, and supplies. Funds deposited into this~~  
10 ~~special fund shall be expended for animal research, and services~~  
11 ~~and supplies related thereto."]~~

12 PART IX

13 SECTION 21. The purpose of this part is to reclassify the  
14 professional student exchange program special fund as a  
15 revolving fund.

16 SECTION 22. Section 304A-2179, Hawaii Revised Statutes, is  
17 amended to read as follows:

18 "[+]§304A-2179[+] Professional student exchange program  
19 [~~special~~] revolving fund. (a) There is established a  
20 professional student exchange program [~~special~~] revolving fund  
21 to be administered and expended by the Hawaii commission.



1 (b) The following moneys shall be deposited into the  
2 [~~special~~] revolving fund:

3 (1) Principal and interest payments received as repayment  
4 of financial support from former or current  
5 participants of the professional student exchange  
6 program, pursuant to section 304A-3209; and

7 (2) Interest earned or accrued on moneys in the [~~special~~]  
8 revolving fund.

9 (c) Moneys in the [~~special~~] revolving fund shall be  
10 expended to:

11 (1) Support the professional student exchange program's  
12 activities, including the provision of financial  
13 support to participants at Western Interstate  
14 Commission for Higher Education receiver institutions;  
15 and

16 (2) Enforce the collection of delinquent obligations."

17 PART X

18 SECTION 23. The purpose of this part is to repeal the  
19 career and technical training projects revolving fund for the  
20 University of Hawaii at Hilo.





1           The legislature finds that the fund does not serve its  
2 original purpose, experiences minimal activity, and should be  
3 repealed.

4           SECTION 26. Section 304A-2272, Hawaii Revised Statutes, is  
5 repealed.

6           ~~"[§304A-2272] Conference center revolving fund,~~  
7 ~~University of Hawaii at Hilo. There is established the~~  
8 ~~conference center revolving fund for the conference center~~  
9 ~~program in the college of continuing education and community~~  
10 ~~service of the University of Hawaii at Hilo. All fees, charges,~~  
11 ~~and other moneys collected in conjunction with the conference~~  
12 ~~center program shall be deposited in the revolving fund. The~~  
13 ~~dean of the college of continuing education and community~~  
14 ~~service is authorized to expend funds from the revolving fund~~  
15 ~~for all costs associated with conducting conferences, seminars,~~  
16 ~~and courses by the conference center program, including but not~~  
17 ~~limited to expenses for honoraria, hotel and room rentals, food~~  
18 ~~and refreshment, printing and mailing, airfare and per diem,~~  
19 ~~leis, rental of audiovisual equipment, and conference supplies~~  
20 ~~and materials." ]~~

21



## 1 PART XII

2 SECTION 27. The purpose of this part is to repeal the  
3 Senator Hiram L. Fong scholarship program endowment trust fund.

4 The legislature finds that the fund does not serve the  
5 purpose for which it was created and should be repealed.

6 SECTION 28. Section 304A-2353, Hawaii Revised Statutes, is  
7 repealed.

8 ~~["§304A-2353] The Senator Hiram L. Fong scholarship~~  
9 ~~program; endowment trust. (a) There is established the Senator~~  
10 ~~Hiram L. Fong 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;~~  
20 ~~(3) Submit winning essays to the board of regents on the~~  
21 ~~senator's contributions to Hawaii;~~





1       ~~(4) Have a demonstrated commitment to local community~~  
2           ~~issues, as shown by volunteer work and participation~~  
3           ~~in community organizations, and~~

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

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

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

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

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

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





1 ~~general revenues of the State. The program shall provide~~  
2 ~~financial support to students enrolled at any campus of the~~  
3 ~~university.~~

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

6 ~~(1) Are graduates of a public high school in the State;~~

7 ~~(2) Are upperclassmen at the university; and~~

8 ~~(3) Submit winning essays to the board of regents on the~~  
9 ~~senator's contributions to Hawaii.~~

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

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

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

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





1           ~~["§309H-6] Hawaii health corps revolving fund. (a)~~

2   ~~There is established in the treasury of the State the Hawaii~~  
3   ~~health corps revolving fund, which shall be administered by the~~  
4   ~~University of Hawaii John A. Burns school of medicine and the~~  
5   ~~University of Hawaii at Manoa school of nursing and dental~~  
6   ~~hygiene, and into which shall be deposited:~~

7           ~~(1) Any funds appropriated by the legislature for the~~  
8           ~~Hawaii rural health care provider loan repayment~~  
9           ~~program;~~

10          ~~(2) Gifts, donations, and grants from public agencies and~~  
11          ~~private persons;~~

12          ~~(3) Reimbursements of loan repayments under the Hawaii~~  
13          ~~rural health care provider loan repayment program;~~

14          ~~(4) Proceeds of the operations of the Hawaii health corps~~  
15          ~~program; and~~

16          ~~(5) Interest earned or accrued on moneys deposited into~~  
17          ~~the fund.~~

18          ~~(b) The University of Hawaii John A. Burns school of~~  
19   ~~medicine and the University of Hawaii at Manoa school of nursing~~  
20   ~~and dental hygiene may expend moneys from the fund for the~~



1 ~~purposes of this chapter, including the operational expenses of~~  
2 ~~the Hawaii health corps program." ]~~

3 PART XV

4 SECTION 33. The following funds are abolished:

- 5 (1) The hurricane Iniki insurance proceeds special fund
- 6 administratively established in 1993 and administered
- 7 by the University of Hawaii;
- 8 (2) The agency fund trust account administratively
- 9 established prior to July 1985 and administered by the
- 10 University of Hawaii; and
- 11 (3) The University of Hawaii Okinawa program trust fund
- 12 administratively established in 1968 and administered
- 13 by the University of Hawaii,

14 and any unencumbered balances remaining shall lapse to the  
15 credit of the general fund.

16 PART XVI

17 SECTION 34. On July 1, 2015, all unencumbered balances  
18 remaining in the accounts and funds repealed by this Act shall  
19 lapse to the credit of the general fund.





**Report Title:**

University of Hawaii; Non-General Funds; Repeal; Transfer of Balances; Establishment

**Description:**

Repeals various non-general funds and accounts and transfers the unencumbered balances to the general fund. Establishes the University of Hawaii Quasi-endowment Trust Fund. Makes conforming amendments. (HB545 HD1)

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