

JAN 20 2023

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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 it is important for  
2 the department of education, under the direction of its  
3 superintendent or designee, to be authorized to maintain and  
4 expend various moneys for the educational benefit of the  
5 students in the State's public school system. The establishment  
6 of a trust fund to serve as a repository for state funds, as  
7 well as private contributions from corporations and other  
8 businesses, foundations, individuals, and other interested  
9 parties could help supplement existing funding for department  
10 programs. The purpose of this Act is to establish the Hawaii  
11 educational expenditure trust fund as a means to make additional  
12 funds available for the department of education to be used to  
13 increase educational opportunities for students and supporting  
14 the department's programs.

15           SECTION 2. Chapter 302A, Hawaii Revised Statutes, is  
16 amended by adding a new section to be appropriately designated  
17 and to read as follows:



1           "§302A- Hawaii educational expenditure trust fund;  
2 established. (a) There is established the Hawaii educational  
3 expenditure trust fund as a separate fund of the department.  
4 Moneys received from the State or county, tax remittances, fee  
5 assessments, private contributions of cash and other property,  
6 and the income and capital gains earned by the trust fund, shall  
7 constitute the trust fund assets. The department shall be  
8 responsible for determining the moneys that shall be deposited  
9 into the trust fund; provided that the department may hire a  
10 private third party to administer the trust fund for the  
11 purposes of this chapter.

12           (b) The purpose of the trust fund shall be to serve as a  
13 repository for moneys intended for improving the education of,  
14 and supporting the programs benefiting, the students of the  
15 Hawaii public school system.

16           (c) The aggregate principal sum deposited in the trust  
17 fund and any income and capital gains earned by the trust fund  
18 but not expended for grantmaking or administration shall be  
19 invested by the superintendent in the State's investment pool to  
20 maximize the rate of return on investment of the trust fund  
21 consistent with the objective of preserving the trust fund's



1 principal. The department shall be allowed to hire investment  
2 managers either within or outside of the department.

3 (d) In the event of the termination of the trust fund, the  
4 unspent appropriations made by the State, if any, shall be  
5 distributed to EDN100 (department of education, school-based  
6 budgeting).

7 (e) The trust fund may receive contributions, grants, or  
8 gifts from corporations or other businesses, foundations,  
9 government, individuals, and other interested parties.

10 (f) The trust fund may receive contributions, grants, or  
11 gifts in cash or otherwise from all sources. The public and  
12 private sectors shall work together as partners in securing  
13 contributions for the trust fund. The State may allocate moneys  
14 to the trust fund by legislative appropriation.

15 (g) There may be an endowment component of the trust fund,  
16 as deemed necessary by the superintendent.

17 (h) The superintendent or third party hired by the  
18 department shall oversee the administration and expenditure of  
19 funds for the following activities:

20 (1) Grantmaking to raise awareness of the trust fund;



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- 1        (2) Allocation of funds for the operations of the
- 2                department;
- 3        (3) Allocation of funds for the education of students in
- 4                the Hawaii public school system;
- 5        (4) Allocation of funds for programs that support the
- 6                education of and benefit the students in the Hawaii
- 7                public school system;
- 8        (5) Allocation of funds for public school facilities; and
- 9        (6) Allocation of funds for the benefit of public
- 10               education.
- 11        (i) The superintendent shall:
- 12               (1) Develop the policy, planning, and strategy for the
- 13               trust fund;
- 14               (2) Publicize the trust fund; and
- 15               (3) Solicit public and private moneys for the trust fund.
- 16        (j) For the purposes of this section, "trust fund" or
- 17        "fund" means the Hawaii educational expenditure trust fund."

18        SECTION 3. New statutory material is underscored.

19        SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: *Michelle A. Anderson*



# S.B. NO. 414

**Report Title:**

Department of Education; Hawaii Educational Expenditure Trust Fund

**Description:**

Establishes the Hawaii Educational Expenditure Trust Fund as a separate fund of the Department of Education for improving the education of, and supporting the programs benefiting, the students of the Hawaii public school system.

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

