

# S.B. NO. 1490

JAN 23 2025

## A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII RELIEF FUNDING.

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

SECTION 1. Section 304A-2153, Hawaii Revised Statutes, is amended to read as follows:

**"§304A-2153 University of Hawaii tuition and fees special fund.** (a) There is established the ~~[University]~~ university of Hawaii tuition and fees special fund into which shall be deposited all revenue collected by the university for regular, summer, and continuing education credit tuition, tuition-related course and fee charges, and any other charges to students, except as provided by law. Moneys deposited into the fund shall be expended to maintain or improve the university's programs and operations and shall not be:

(1) Used as a justification for reducing any budget request or allotment to the university unless the university requests such a reduction;

(2) Transferred unless otherwise authorized by the legislature; and

(3) Restricted by the governor or the director of finance without the prior approval of the legislature.

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1 Any rule, policy, or action of any agency or individual in  
2 contravention of this subsection shall be void as against public  
3 policy.

4 (b) Any law to the contrary notwithstanding, the board of  
5 regents may authorize expenditures of up to \$3,000,000 annually,  
6 excluding in-kind services, from this fund for the purposes of  
7 promoting alumni relations and generating private donations for  
8 deposit into the University of Hawaii Foundation for the  
9 purposes of the university. Any expenditure authorized pursuant  
10 to this subsection shall be for a public purpose and shall not  
11 be subject to chapters 42F, 103, 103D, and 103F. The university  
12 shall submit a comprehensive report to the legislature detailing  
13 the use of any funds authorized by the board under this  
14 subsection no later than twenty days prior to the convening of  
15 each regular session.

16 The report shall:

- 17 (1) Identify each department of the University of Hawaii  
18 Foundation supported by moneys from the fund;
- 19 (2) Describe the purposes and activities of each  
20 department identified in paragraph (1) and how it  
21 participates in fundraising activities and benefits  
22 the university;

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(3) Provide the total expenditures of each department identified in paragraph (1) by primary expense categories;

(4) Identify all moneys from the fund transferred to any fund of the university and provide a justification of how these moneys are used to benefit the university;

(5) Provide a financial summary of the operating activities of the University of Hawaii Foundation, including revenues and expenditures by major reporting categories; and

(6) Identify amounts and purposes of all expenditures from the [University] university of Hawaii support fund.

(c) Any law to the contrary notwithstanding, the university may transfer funds from the [University] university of Hawaii tuition and fees special fund into the scholarship and assistance special fund established pursuant to section 304A-2159.

(d) Any law to the contrary notwithstanding, the board of regents may authorize expenditures of up to \$3,000,000 annually, excluding in-kind services, from this fund for the purposes of providing student aid in direct response to an emergency or a disaster, as declared by the governor. The university shall

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1 submit a comprehensive report to the legislature detailing the  
2 use of any funds authorized by the board under this subsection  
3 no later than twenty days prior to the convening of each regular  
4 session.

5 ~~[(d)]~~ (e) In estimating its quarterly budget requirements,  
6 each campus of the ~~[University]~~ university of Hawaii shall  
7 prepare a plan for the fiscal year for the operation of each of  
8 the programs that it is responsible for administering. The  
9 operations plan shall be:

10 (1) In such form and content as the vice president for  
11 budget and finance and chief financial officer of the  
12 ~~[University]~~ university of Hawaii may prescribe; and

13 (2) Submitted, together with the estimated quarterly  
14 budget requirements, to the vice president for budget  
15 and finance and chief financial officer on such date  
16 as the vice president for budget and finance and chief  
17 financial officer may prescribe.

18 ~~[(e)]~~ (f) The president and vice president for budget and  
19 finance and chief financial officer of the ~~[University]~~  
20 university of Hawaii:

21 (1) Shall review the operations plan for each campus to  
22 determine if:

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1           (A) It is consistent with the policy decisions of the  
2           board of regents and appropriations by the  
3           legislature;

4           (B) It reflects proper planning and efficient  
5           management methods; and

6           (C) Appropriations have been made for the planned  
7           purpose and will not be exhausted before the end  
8           of the fiscal year;

9       (2) Shall approve the operations plan for each campus if  
10       they determine that the operations plan meets the  
11       requirements of paragraph (1); and

12       (3) May modify or withhold the planned expenditures of any  
13       campus at any time during the appropriations period.

14       [~~(f)~~] (g) At the end of each fiscal year, the moneys in  
15       the [~~University~~] university of Hawaii tuition and fees special  
16       fund for each campus shall lapse to the credit of program  
17       identification number UOH900 ([~~University~~] university of Hawaii,  
18       system wide support)."

19       SECTION 2. Statutory material to be repealed is bracketed  
20       and stricken. New statutory material is underscored.

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1       SECTION 3. This Act, upon its approval, shall take effect  
2 on July 1, 2025.

3

4

INTRODUCED BY: 

5

BY REQUEST

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**Report Title:**

UH; Tuition and Fees Special Fund

**Description:**

Amends the University of Hawaii Tuition and Fees Special Fund by allowing the Board of Regents to dedicate funding for student aid in direct response to an emergency or disaster, as declared by the governor.

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

JUSTIFICATION SHEET

**SB. NO. 1490**

DEPARTMENT: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII RELIEF FUNDING.

PURPOSE: To amend the University of Hawaii Tuition and Fees Special Fund to allow the Board of Regents to provide student aid in direct response to an emergency or disaster, as declared by the governor.

MEANS: Amend section 304A-2153, Hawaii Revised Statutes (HRS).

JUSTIFICATION: The Maui wildfires in 2023 had a substantial impact on many University of Hawaii students. At the time, inquiries were made with the U.S. Department of Education (USDOE) regarding the possibility of providing additional aid to these students in the form of disaster relief that would be exempt from treatment as financial assistance.

According to guidance by the USDOE, "Institutional funds provided by a public institution directly to students for disaster relief would generally not qualify as "state aid," but could be provided to students and exempted from a student's estimated financial assistance on a case-by-case basis using professional judgment. In addition, if the State of Hawaii specified that the institution was to set aside an allotment of funds specifically for disaster relief, and indicated that those funds could be used for no other purpose, the Department would consider those funds to be "state aid" because the institution would be acting as an instrument of the State in distributing the disaster assistance funds according to requirements set by the State. In this limited case, the funds would be considered exempt from treatment as estimated financial assistance.



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It would not be permissible for a public institution to redesignate as intended for disaster relief, institutional aid that was previously awarded or disbursed."

The revisions to section 304A-2153, HRS, will not be used as the mechanism to exempt disaster relief as financial assistance, however, it would be a vehicle through which the university will be able to meet the requirements set forth in the USDOE guidance (limited case) thereby allowing that "the funds would be considered exempt from treatment as estimated financial assistance."

The University of Hawaii will set aside an allotment of funds specifically for disaster relief and those funds shall be used for no other purpose other than disaster relief. In doing so, the funds would be considered "state aid" because the university would be acting as an instrument of the State in distributing the disaster assistance funds according to requirements set by the State.

These revisions are necessary so that when the next disaster impacts University of Hawaii students, there can be a dedicated disaster relief fund ready to deploy in support of student needs. With this revision, the designated institutional funds would be considered exempt from treatment as financial assistance and have no impact on the recipient's financial aid package. Without this designation, relief funds from UH would be considered by USDOE as financial assistance and would supplant the recipients' financial aid package potentially reducing federal funding support.

Impact on the public: This will help provide students with support during a time of crisis and thus help increase retention and improve student success.

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Impact on the department and other agencies:  
None.

GENERAL FUND: None.

OTHER FUNDS: Tuition and Fees Special Fund.

PPBS PROGRAM  
DESIGNATION: UOH-100, UOH-110, UOH-210, UOH-700, UOH-800.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2025.