

ACT 234

H.B. NO. 1873

A Bill for an Act Relating to Education.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 29, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§29- Department of education; federal funds; general fund offset.

(a) Federal impact aid, U.S. Department of Defense funds, and federal indirect overhead reimbursements received by the department of education shall not be returned to the general fund.

(b) If the amount of federal impact aid and U.S. Department of Defense funds received by the department of education exceeds the authorized appropriation in the general appropriations act or the supplemental appropriations act, then the governor shall:

- (1) Allow the department of education to increase the federal fund expenditure ceiling for all program identification numbers, each by an amount proportionate to its portion of the total general fund appropriation made by the legislature, and by the amount that the federal impact aid and U.S. Department of Defense funds received by the department of education exceeds the authorized appropriation in the general appropriations act or the supplemental appropriations act; and

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

(c) The department of education shall submit a report to the legislature, not fewer than twenty days prior to the convening of each regular session, concerning the exact amount and specific nature of federal impact aid, U.S. Department of Defense funds, and federal indirect overhead reimbursements received under this section.”

SECTION 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding three new sections to be appropriately designated and to read as follows:

“§302A- Federal indirect overhead reimbursements. The department may retain and expend federal indirect overhead reimbursements for discretionary grants in excess of the negotiated rate for such reimbursements as determined by the director of finance and the superintendent.

§302A- Federal grants search, development, and application revolving fund. (a) There is established a federal grants search, development, and application revolving fund into which shall be deposited the department’s share of federal indirect overhead reimbursements, pursuant to section 302A- . Unless otherwise provided by law, all other receipts shall immediately be deposited to the credit of the general fund of the State. The department may expend funds in the federal grants search, development, and application revolving fund to search for discretionary grants and develop program applications to secure additional revenues for the department. Moneys in the revolving fund may be expended for consultant services and operational expenses, including the creation and hiring of temporary staff.

(b) The department shall prepare and submit an annual report on the status of the federal grants search, development, and application revolving fund to the legislature. The annual report shall include but not be limited to a list of the grant applications to the federal agencies and the grant awards received.

§302A- Appropriations for trust funds of the department of education. Notwithstanding any other law to the contrary, in any fiscal year, if the amount of revenues deposited into a trust fund of the department of education exceeds the amount appropriated from that fund for that year, the superintendent may approve expenditures in excess of the amount appropriated, up to the amount by which revenues for that fund exceed the appropriations from that fund for a fiscal year; provided that the department shall submit a report annually to the governor and the legislature of all expenditures in excess of each fund’s appropriation for each fiscal year.”

SECTION 3. There is appropriated out of the federal grants search, development, and application revolving fund the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2000-2001 to the department of education to carry out the purposes of this Act, including the creation and hiring of necessary staff.

The sum appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 4. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions

or applications of the Act, which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 5. It is the intent of this Act not to jeopardize the receipt of any federal aid nor to impair the obligation of the State or any agency thereof to the holders of any bond issued by the State or by any such agency, and to the extent, and only to the extent, necessary to effectuate this intent, the governor need not enforce the strict provisions of this Act, but shall promptly report any such lack of enforcement with reasons therefor to the legislature at its next session thereafter for review by the legislature.

SECTION 6. New statutory material is underscored.¹

SECTION 7. This Act shall take effect on July 1, 2000.

(Approved June 19, 2000.)

Note

1. Edited pursuant to HRS §23G-16.5.