

ACT 138

H.B. NO. 1710

A Bill for an Act Relating to the University of Hawaii.

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

SECTION 1. Scholarships for students to enroll at the University of Hawaii are essential to advance the university's mission of access, academic excellence, diversity, and service to the state. Currently, the University of Hawaii gives most of its assistance in the form of tuition waivers by which a credit towards tuition is given to students. Most universities, however, give assistance in the form of scholarships. A student scholarship and assistance special fund will provide the university with a mechanism to administer tuition and scholarship assistance systemwide and, where appropriate, obtain additional scholarship support or matching funds, or both, from state, federal, institutional, and private sources. The student scholarship and assistance fund is established for the purposes of:

- (1) Assisting the University of Hawaii in the transition from tuition waivers to scholarship funding to be consistent with nationwide practices;
- (2) Directing state initiatives, such as scholarships for teachers, nurses, and other high-demand fields, through this fund;
- (3) Developing programs to provide assistance systemwide and by individual campuses; and
- (4) Enabling the University of Hawaii to perform comprehensive reporting on student assistance, including information on tuition waivers, institutional support, state support, and private contributions.

Currently, student assistance is disbursed by campus and department, and record-keeping is performed by compiling the disbursed reports. Centralizing the transactions will make reporting faster and more accurate.

The purpose of this Act is to:

- (1) Establish a student scholarship and assistance special fund within the University of Hawaii; and

- (2) Appropriate \$20,000,000 out of the student scholarship and assistance special fund for fiscal year 2004-2005 to be used for scholarship assistance.

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

“§304- Student scholarship and assistance special fund. (a) There is established the student scholarship and assistance special fund to be administered by the University of Hawaii. This fund shall be used to provide financial assistance to qualified students enrolled at any campus of the University of Hawaii.

(b) Revenues deposited into this fund shall include but not be limited to state, federal, and private funds, and funds transferred by the university from the tuition and fees special fund pursuant to section 304-16.5.

(c) The board of regents, or its designated representatives, is authorized to grant, modify, or suspend scholarship and assistance funds. The University of Hawaii shall report annually to the legislature on the sources of revenue into and expenditures made from the special fund no later than twenty days before the convening of each regular session of the legislature. This report shall include but not be limited to the number of tuition waivers, scholarships, and stipends.

(d)¹ This fund is not intended to provide loans or keep track of payback provisions.”

SECTION 3. Section 304-16.5, Hawaii Revised Statutes, is amended to read as follows:

“§304-16.5 University of Hawaii tuition and fees special fund; tuition schedule and waivers. (a) There is established the 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~~] 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 of Hawaii 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.

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

(b) The board of regents, or its designated representatives, is authorized to grant, modify, or suspend tuition waivers. The board of regents shall provide a report and make recommendations as appropriate to the legislature on all tuition waivers no later than twenty days prior to the convening of each regular session. This report shall include but not be limited to the number of tuition waivers [~~and~~], scholarships, stipends, and mandatory fees granted to financially needy students from ethnic groups that are under-represented in the student population of the University of Hawaii through the Hawaii opportunity program in education.

(c) Any law to the contrary notwithstanding, the board of regents may authorize expenditures from this fund for the purpose of generating private donations for deposit into the University of Hawaii Foundation for the purposes of the university. Any expenditure authorized pursuant to this subsection shall be for a public purpose and shall not be subject to chapters 42F, 103, 103D, and 103F. The

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university shall submit a comprehensive report to the legislature every regular session detailing the use of any funds authorized by the board under this subsection.

(d) Any law to the contrary notwithstanding, the university may transfer funds from the tuition and fees special fund into the student scholarship and assistance special fund established pursuant to section 304-_____.'

SECTION 4. There is appropriated out of the student scholarship and assistance special fund the sum of \$20,000,000 or so much thereof as may be necessary for fiscal year 2004-2005 to carry out the purposes of this Act.

The sum appropriated shall be expended by the University of Hawaii for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

SECTION 6. This Act shall take effect on July 1, 2004.

(Approved June 21, 2004.)

Notes

1. Subsection "(d)" substituted for "(e)".
2. Edited pursuant to HRS §23G-16.5.