

JAN 25 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 purpose of this Act is to establish the  
2 Hawaii educational expenditure trust fund as a means to make  
3 additional funds available for use by the Hawaii State  
4 department of education for increasing educational opportunities  
5 for students and supporting the department's programs. The  
6 trust fund will serve as a repository for state funds, as well  
7 as private contributions from corporations and other businesses,  
8 foundations, individuals, and other interested parties.

9           The trust fund will be used to supplement existing funding  
10 for department programs. The legislature's intent is for the  
11 department of education, under the direction of its  
12 superintendent, to maintain and expend various moneys for the  
13 educational benefit of the students in the Hawaii public school  
14 system.

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:

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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 would be deposited  
9 into the trust fund.

10           (b) The department shall have the sole responsibility for  
11 the administration and expenditure of moneys from the trust fund  
12 for the purposes of this chapter.

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

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

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

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

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

17 (i) The superintendent shall oversee the administration  
18 and expenditure of funds for the following activities:

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

20 (2) Allocation of funds for the operations of the  
21 department;



# S.B. NO. 1346

**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.*

JUSTIFICATION SHEET

DEPARTMENT: Education

TITLE: A BILL FOR AN ACT RELATING TO EDUCATION.

PURPOSE: To establish the Hawaii Educational Expenditure Trust Fund as a separate fund of the Department of Education (Department) for improving the education of, and supporting the programs benefiting, the students of the Hawaii public school system.

MEANS: Add a new section to chapter 302A, Hawaii Revised Statutes.

JUSTIFICATION: The purpose of this bill is to establish the Hawaii Educational Expenditure Trust Fund as a means to make additional funds available for use by the Department for improving the education of students and supporting the Department's programs. The fund will serve as a repository for state funds, as well as private contributions from corporations and other businesses, foundations, individuals, and other interested parties.

The fund will be used to supplement Department programs.

Impact on the public: The Hawaii Educational Expenditure Trust Fund will devote its resources to improving the quality of public education in the State of Hawaii.

Impact on the department and other agencies: This bill will provide the Department with a means to hold and expend funds to help improve the Department and its programs.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: EDN 100.

OTHER AFFECTED  
AGENCIES:

None.

EFFECTIVE DATE:

Upon approval.