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## A BILL FOR AN ACT

RELATING TO FUNDS.

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

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PART I

SECTION 1. The purpose of this part is to repeal the University of Hawaii community services special fund.

The legislature finds that the fund does not meet the criteria for a special fund and should be repealed.

SECTION 2. Section 304A-2156, Hawaii Revised Statutes, is repealed.

~~["§304A-2156] University of Hawaii community services special fund. (a) There is established the University of Hawaii community services special fund. Except as otherwise provided by law, all revenues, including interest, derived and collected from the university's provision of public service programs shall be deposited into the University of Hawaii community services special fund. The university may establish and collect fees and charges for public service programs. All revenues deposited into the University of Hawaii community services special fund shall be used exclusively for the costs of~~



1 ~~providing public service programs. The university may establish~~  
 2 ~~accounts under the community services special fund to facilitate~~  
 3 ~~the administration of this fund among the various campuses and~~  
 4 ~~operating units of the University of Hawaii system. All~~  
 5 ~~expenditures from this fund shall be subject to legislative~~  
 6 ~~appropriation.~~

7 ~~(b) As used in this section, "public service programs"~~  
 8 ~~means:~~

9 ~~(1) Noncredit educational programs in professional~~  
 10 ~~development and training, personal growth, and~~  
 11 ~~cultural enrichment; and~~

12 ~~(2) Cooperative extension and consultative services." ]~~

13 PART II

14 SECTION 3. The purpose of this part is to repeal the  
 15 Hawaii educator loan program special fund.

16 The legislature finds that the fund does not meet the  
 17 requirements for a special fund and should be repealed.

18 SECTION 4. Section 304A-701, Hawaii Revised Statutes, is  
 19 amended by amending subsection (g) to read as follows:

20 "(g) In accordance with chapter 103D, the university may  
 21 enter into written contracts with collection agencies for the



1 purpose of collecting delinquent loans. All payments collected,  
2 exclusive of a collection agency's commissions, shall revert,  
3 and be credited, to the [~~Hawaii educator loan program special~~  
4 ~~fund.~~] general fund. A collection agency that enters into a  
5 written contract with the university for the collection of  
6 delinquent loans pursuant to this section may collect a  
7 commission from the debtor in accordance with the terms of, and  
8 up to the amounts authorized in, the written contract."

9 SECTION 5. Section 304A-703, Hawaii Revised Statutes, is  
10 amended to read as follows:

11 " [+]§304A-703 [>] Capacity of minors in qualifying for  
12 Hawaii educator loans. Any student otherwise qualifying for a  
13 loan under the Hawaii educator loan program [~~special fund~~] shall  
14 not be disqualified because the student is under the age of  
15 eighteen years, and for the purpose of applying for, receiving,  
16 and repaying the loan, any [~~such~~] person shall be deemed to have  
17 full legal capacity to act and shall have all rights, powers,  
18 privileges, and obligations of an adult with respect thereto."

19 SECTION 6. Section 304A-704, Hawaii Revised Statutes, is  
20 amended to read as follows:



1 " ~~[§304A-704]~~ Rules governing Hawaii educator loan  
2 program ~~[special fund]~~. The university may adopt rules to  
3 implement the Hawaii educator loan program. The rules shall be  
4 adopted pursuant to chapter 91, but shall be exempt from the  
5 public notice and public hearing requirements."

6 SECTION 7. Section 304A-2161, Hawaii Revised Statutes, is  
7 repealed.

8 "~~[§304A-2161] Hawaii educator loan program special fund.~~  
9 ~~There is established the Hawaii educator loan program special~~  
10 ~~fund, for the purpose of providing loans pursuant to section~~  
11 ~~{304A-701}. The following may be deposited into the special~~  
12 ~~fund: appropriations made by the legislature, private~~  
13 ~~contributions, repayment of loans, including interest and~~  
14 ~~payments received on account of principal, and moneys from other~~  
15 ~~sources; provided that:~~

16 (1) ~~Moneys on balance in the special fund at the close of~~  
17 ~~each fiscal year shall remain in that fund and shall~~  
18 ~~not lapse to the credit of the general fund; and~~

19 (2) ~~An amount from the special fund not exceeding five per~~  
20 ~~cent of the total amount of outstanding loans may be~~



1 ~~set by the university to be used for administrative~~  
2 ~~expenses incurred in administering the special fund."]~~

3 PART III

4 SECTION 8. The purpose of this part is to repeal the  
5 community colleges special fund.

6 The legislature finds that the fund does not meet the  
7 criteria for a special fund and should be repealed.

8 SECTION 9. Section 304A-2162, Hawaii Revised Statutes, is  
9 repealed.

10 ~~["~~§304A-2162~~ Community colleges special fund. (a)~~  
11 ~~Section [304A-2003] notwithstanding, there is established a~~  
12 ~~community colleges special fund to receive, disburse, and~~  
13 ~~account for funds of programs and activities of the community~~  
14 ~~colleges, including but not limited to off-campus programs,~~  
15 ~~summer session programs, overseas programs, evening sessions,~~  
16 ~~study abroad, exchange programs, cultural enrichment programs,~~  
17 ~~and consultative services that help make available the resources~~  
18 ~~of the community colleges to the communities they serve.~~

19 ~~(b) The special fund may include deposits from:~~

20 ~~(1) The University of Hawaii tuition and fees special fund~~  
21 ~~established in section [304A-2153];~~



- 1       ~~[(2) Tuition, fees, and charges for affiliated~~
- 2               ~~instructional, training, and public service courses~~
- 3               ~~and programs; and~~
- 4       ~~[(3) Fees, fines, and other money collected for:~~
- 5               ~~(A) Student health;~~
- 6               ~~(B) Transcript and diploma;~~
- 7               ~~(C) Library;~~
- 8               ~~(D) Facility use;~~
- 9               ~~(E) Child care;~~
- 10              ~~(F) Auxiliary enterprises;~~
- 11              ~~(G) Alumni; and~~
- 12              ~~(H) Other related activities." ]~~

PART IV

14       SECTION 10. The purpose of this part is to repeal the  
15 Hawaii medical education special fund.

16       The legislature finds that the fund no longer serves the  
17 purpose for which it was created, does not meet the criteria for  
18 a special fund, and should be repealed.

19       SECTION 11. Section 304A-1702, Hawaii Revised Statutes, is  
20 amended by amending subsections (b) and (c) to read as follows:



1           " ~~[(b)] The program shall be funded with moneys received for~~  
 2 ~~graduate medical education and deposited into the Hawaii medical~~  
 3 ~~education special fund established under section [304A 2164].]~~

4           ~~[(e)]~~ (b) All funding for the graduate medical education  
 5 program shall be nonlapsing.

6           (d) Program moneys shall only be expended if:

7           (1) Approved by the medical education council; and

8           (2) Used for graduate medical education in accordance with  
 9           sections ~~[+] 304A-1704 [.]~~ and ~~[+] 304A-1705 [.]~~."

10          SECTION 12. Section 304A-2164, Hawaii Revised Statutes, is  
 11 repealed.

12          ~~[" [304A 2164] Hawaii medical education special fund.~~

13 ~~There is established a Hawaii medical education special fund,~~  
 14 ~~into which shall be deposited all funds received by the medical~~  
 15 ~~education council, including:~~

16          ~~(1) Moneys from the federal Centers for Medicaid and~~  
 17           ~~Medicare Services or other federal agencies;~~

18          ~~(2) State appropriations; and~~

19          ~~(3) Grants, contracts, donations, or private~~  
 20           ~~contributions.~~



1 ~~The fund shall be administered by the university. Moneys~~  
2 ~~deposited in the fund shall be expended by the university for~~  
3 ~~the purposes of the graduate medical education program~~  
4 ~~established under section [304A-1702]."~~

5 PART V

6 SECTION 13. The purpose of this part is to repeal the  
7 discoveries and inventions special fund.

8 The legislature finds that the fund does not meet the  
9 criteria for a special fund and should be repealed.

10 SECTION 14. Section 304A-2253, Hawaii Revised Statutes, is  
11 amended by amending subsection (c) to read as follows:

12 "(c) Notwithstanding [~~sections~~] section 304A-107 [~~and~~  
13 ~~{304A-2174}~~] to the contrary, the board of regents or its  
14 designee, may establish a separate account within the research  
15 and training revolving fund for the purpose of providing advance  
16 funding to meet reimbursable costs incurred in connection with  
17 federally financed research and training projects. Any  
18 reimbursement received as a result of providing advance funding  
19 shall be deposited into the research and training revolving fund  
20 to be used for the purpose of meeting reimbursable costs  
21 incurred in connection with federally financed projects."



1 SECTION 15. Section 304A-2174, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2174] Discoveries and inventions special fund.~~  
4 ~~There is established a discoveries and inventions special fund~~  
5 ~~into which shall be deposited a portion of the total indirect~~  
6 ~~overhead funds generated by the university for research and~~  
7 ~~training purposes in the prior fiscal year, as determined by the~~  
8 ~~board of regents. Appropriations by the legislature subject to~~  
9 ~~the approval of the governor, proceeds from the commercial~~  
10 ~~exploitation of inventions and intellectual property developed~~  
11 ~~at the university, gifts, donations, fees collected, and grants~~  
12 ~~from public agencies and private persons may also be deposited~~  
13 ~~into the special fund for the purposes of supporting innovation~~  
14 ~~and research commercialization and the patenting, copyrighting,~~  
15 ~~licensing, and marketing of discoveries, inventions, and~~  
16 ~~technologies developed at the university. The special fund~~  
17 ~~shall be used to develop technologies that have potential~~  
18 ~~commercial value, support the administration of technology~~  
19 ~~transfer activities, and facilitate economic development through~~  
20 ~~education and research undertaken at the university."]~~



1 PART VI

2 SECTION 16. The purpose of this part is to repeal the  
3 University of Hawaii alumni special fund.

4 The legislature finds that the fund no longer serves the  
5 purpose for which it was created and should be repealed.

6 SECTION 17. Section 304A-2175, Hawaii Revised Statutes, is  
7 repealed.

8 ~~["[§304A-2175] University of Hawaii alumni special fund.~~  
9 ~~There is established the University of Hawaii alumni special~~  
10 ~~fund into which shall be deposited funds and proceeds received~~  
11 ~~by the university from alumni activities and donations from~~  
12 ~~alumni. Funds deposited into this special fund may be expended~~  
13 ~~by the university for all costs associated with conducting~~  
14 ~~alumni affairs, activities, and programs for the university~~  
15 ~~system, including but not limited to expenses for honoraria,~~  
16 ~~hotel and room rentals, food and refreshment, printing and~~  
17 ~~mailing, banners and signs, plaques and awards, airfare and per~~  
18 ~~diem, leis, rental of audiovisual, musical, and stage equipment,~~  
19 ~~and activity supplies and materials, without regard to statutory~~  
20 ~~competitive bidding requirements."]~~



PART VII

SECTION 18. The purpose of this part is to repeal the animal research farm, Waialeale, Oahu special fund.

The legislature finds that the fund no longer serves its original purpose, does not meet the criteria for a special fund, and should be repealed.

SECTION 19. Section 304A-2177, Hawaii Revised Statutes, is repealed.

~~["[§304A-2177] Animal research farm, Waialeale, Oahu special fund. There is established the animal research farm, Waialeale, Oahu special fund for the animal research farm, Waialeale, Oahu, operated by the college of tropical agriculture and human resources of the University of Hawaii, into which shall be deposited the receipts from fees realized from the sale of livestock, services, and supplies. Funds deposited into this special fund shall be expended for animal research, and services and supplies related thereto."]~~

PART VIII

SECTION 20. The purpose of this part is to repeal the professional student exchange program special.



1 The legislature finds that the fund is inactive and should  
2 be repealed.

3 SECTION 21. Section 304A-2179, Hawaii Revised Statutes, is  
4 repealed.

5 ["~~§304A-2179~~] ~~Professional student exchange program~~  
6 ~~special fund.~~ (a) ~~There is established a professional student~~  
7 ~~exchange program special fund to be administered and expended by~~  
8 ~~the Hawaii commission.~~

9 (b) ~~The following moneys shall be deposited into the~~  
10 ~~special fund:~~

11 (1) ~~Principal and interest payments received as repayment~~  
12 ~~of financial support from former or current~~  
13 ~~participants of the professional student exchange~~  
14 ~~program, pursuant to section 304A-3209; and~~

15 (2) ~~Interest earned or accrued on moneys in the special~~  
16 ~~fund.~~

17 (c) ~~Moneys in the special fund shall be expended to:~~

18 (1) ~~Support the professional student exchange program's~~  
19 ~~activities, including the provision of financial~~  
20 ~~support to participants at Western Interstate~~



1           ~~Commission for Higher Education receiver institutions,~~  
2           ~~and~~  
3           ~~(2) Enforce the collection of delinquent obligations." ]~~

PART IX

5           SECTION 22. The purpose of this part is to repeal the  
6 center for labor education and research revolving fund.

7           The legislature finds that the revolving fund is not  
8 necessary. It has had a relatively low balance and minimal  
9 recent activity.

10          SECTION 23. Section 304A-2267, Hawaii Revised Statutes, is  
11 repealed.

12          ~~[" [§304A-2267] Center for labor education and research~~  
13 ~~revolving fund. There is established the center for labor~~  
14 ~~education and research revolving fund, for use by the director~~  
15 ~~of the center for labor education and research with the approval~~  
16 ~~of the chancellor or vice chancellor of the University of~~  
17 ~~Hawaii, West Oahu campus, in carrying out the purposes of the~~  
18 ~~center. All fees, charges, and other moneys collected in~~  
19 ~~conjunction with the operations of the center for labor~~  
20 ~~education and research shall be deposited in the revolving fund.~~  
21 ~~Such amounts shall be expended from the fund by the director of~~



1 ~~the center for labor education and research as may be necessary~~  
2 ~~to defray the cost of operating the center for labor education~~  
3 ~~and research, excluding compensation of the permanent staff, but~~  
4 ~~including contractual obligation, rentals, and such other~~  
5 ~~program costs as approved by the chancellor or vice chancellor,~~  
6 ~~West Oahu campus." ]~~

7 PART X

8 SECTION 24. The purpose of this part is to repeal the  
9 career and technical training projects revolving fund for the  
10 University of Hawaii at Hilo.

11 The legislature finds that the revolving fund is not  
12 necessary.

13 SECTION 25. Section 304A-2268, Hawaii Revised Statutes, is  
14 repealed.

15 ~~["§304A-2268] Career and technical training projects~~  
16 ~~revolving fund, University of Hawaii at Hilo. There is~~  
17 ~~established the career and technical training projects revolving~~  
18 ~~fund for the career and technical training projects of the~~  
19 ~~community colleges and the University of Hawaii at Hilo into~~  
20 ~~which shall be deposited the receipts from fees for services,~~  
21 ~~supplies, and use of equipment provided by or in connection with~~



1 ~~these projects. Funds deposited in this account shall be~~  
2 ~~expended for vocational and technical training projects, and~~  
3 ~~supplies, equipment, and services related thereto."]~~

4 PART XI

5 SECTION 26. The purpose of this part is to repeal the  
6 conference center revolving fund for the conference center  
7 program in the college of continuing education and community  
8 service of the University of Hawaii at Hilo.

9 The legislature finds that the fund does not serve its  
10 original purpose, experiences minimal activity, and should be  
11 repealed.

12 SECTION 27. Section 304A-2272, Hawaii Revised Statutes, is  
13 repealed.

14 [~~§304A-2272~~] ~~Conference center revolving fund,~~  
15 ~~University of Hawaii at Hilo.~~ There is established the  
16 ~~conference center revolving fund for the conference center~~  
17 ~~program in the college of continuing education and community~~  
18 ~~service of the University of Hawaii at Hilo. All fees, charges,~~  
19 ~~and other moneys collected in conjunction with the conference~~  
20 ~~center program shall be deposited in the revolving fund. The~~  
21 ~~dean of the college of continuing education and community~~



1 ~~service is authorized to expend funds from the revolving fund~~  
2 ~~for all costs associated with conducting conferences, seminars,~~  
3 ~~and courses by the conference center program, including but not~~  
4 ~~limited to expenses for honoraria, hotel and room rentals, food~~  
5 ~~and refreshment, printing and mailing, airfare and per diem,~~  
6 ~~leis, rental of audiovisual equipment, and conference supplies~~  
7 ~~and materials." ]~~

8 PART XII

9 SECTION 28. The purpose of this part is to repeal the  
10 Senator Hiram L. Fong scholarship program endowment trust fund.

11 The legislature finds that the fund does not serve the  
12 purpose for which it was created and should be repealed.

13 SECTION 29. Section 304A-2353, Hawaii Revised Statutes, is  
14 repealed.

15 [~~"§304A-2353~~] ~~The Senator Hiram L. Fong scholarship~~  
16 ~~program; endowment trust.~~ (a) ~~There is established the Senator~~  
17 ~~Hiram L. Fong scholarship program to be administered by the~~  
18 ~~university with proceeds from an endowment trust that shall~~  
19 ~~receive its initial funding by an appropriation out of the~~  
20 ~~general revenues of the State. The program shall provide~~



1 ~~financial support to students enrolled at any campus of the~~  
2 ~~university.~~

3 ~~(b) Awards shall be granted annually to one female student~~  
4 ~~and one male student who:~~

5 ~~(1) Are graduates of a public high school in the State;~~

6 ~~(2) Are upperclassmen at the university;~~

7 ~~(3) Submit winning essays to the board of regents on the~~  
8 ~~senator's contributions to Hawaii;~~

9 ~~(4) Have a demonstrated commitment to local community~~  
10 ~~issues, as shown by volunteer work and participation~~  
11 ~~in community organizations; and~~

12 ~~(5) Have a demonstrated interest and knowledge of the~~  
13 ~~history of immigration to Hawaii.~~

14 ~~(c) The amount to be awarded to a student shall be~~  
15 ~~determined by the board of regents with due regard to the total~~  
16 ~~amount of funds available for the program. The award that a~~  
17 ~~student receives under this program may be used to:~~

18 ~~(1) Pay for the costs of tuition and fees for a single~~  
19 ~~academic year;~~

20 ~~(2) Pay for the costs of textbooks and other instructional~~  
21 ~~materials for a single academic year;~~





1 SECTION 31. Section 304A-2354, Hawaii Revised Statutes, is  
2 repealed.

3 ~~["§304A-2354] The Senator Oren E. Long scholarship~~  
4 ~~program; endowment trust. (a) There is established the Senator~~  
5 ~~Oren E. Long scholarship program to be administered by the~~  
6 ~~university with proceeds from an endowment trust that shall~~  
7 ~~receive its initial funding by an appropriation out of the~~  
8 ~~general revenues of the State. The program shall provide~~  
9 ~~financial support to students enrolled at any campus of the~~  
10 ~~university.~~

11 ~~(b) Awards shall be granted annually to one female student~~  
12 ~~and one male student who:~~

- 13 ~~(1) Are graduates of a public high school in the State;~~
- 14 ~~(2) Are upperclassmen at the university; and~~
- 15 ~~(3) Submit winning essays to the board of regents on the~~  
16 ~~senator's contributions to Hawaii.~~

17 ~~(c) The amount to be awarded to a student shall be~~  
18 ~~determined by the board of regents with due regard to the total~~  
19 ~~amount of funds available for the program. The award that a~~  
20 ~~student receives under this program may be used to:~~



- 1       ~~(1) Pay for the costs of tuition and fees for a single~~
- 2           ~~academic year;~~
- 3       ~~(2) Pay for the costs of textbooks and other instructional~~
- 4           ~~materials for a single academic year;~~
- 5       ~~(3) Pay for the costs of room and board at a dormitory or~~
- 6           ~~apartment maintained by the university for a single~~
- 7           ~~academic year; or~~
- 8       ~~(4) Defray the difference between student need, as~~
- 9           ~~determined by the Free Application for Federal Student~~
- 10           ~~Aid, and the total cost of attendance for a single~~
- 11           ~~academic year.~~
- 12       ~~(d) The board of regents shall adopt rules to implement~~
- 13       ~~the Senator Oren E. Long scholarship program. The rules shall~~
- 14       ~~be adopted pursuant to chapter 91 but shall be exempt from the~~
- 15       ~~public notice and public hearing requirements.~~
- 16       ~~(e) The scholarship program shall be funded with proceeds~~
- 17       ~~from an endowment trust established with initial funding by an~~
- 18       ~~appropriation out of the general revenues of the State and shall~~
- 19       ~~be administered by the board of regents for the purposes of~~
- 20       ~~supporting the Senator Oren E. Long scholarship program." ]~~



PART XIV

SECTION 32. The purpose of this part is to repeal the Hawaii health corps revolving fund.

The legislature finds that the fund is inactive and should be repealed.

SECTION 33. Section 309H-6, Hawaii Revised Statutes, is repealed.

~~["§309H-6] Hawaii health corps revolving fund. (a) There is established in the treasury of the State the Hawaii health corps revolving fund, which shall be administered by the University of Hawaii John A. Burns school of medicine and the University of Hawaii at Manoa school of nursing and dental hygiene, and into which shall be deposited:~~

~~(1) Any funds appropriated by the legislature for the Hawaii rural health care provider loan repayment program;~~

~~(2) Gifts, donations, and grants from public agencies and private persons;~~

~~(3) Reimbursements of loan repayments under the Hawaii rural health care provider loan repayment program;~~





1 and any unencumbered balances remaining shall lapse to the  
2 credit of the general fund.

3 PART XVI

4 SECTION 35. The unrestricted quasi-endowment income and  
5 scholarship revolving fund administered by the University of  
6 Hawaii is abolished and on July 1, 2015, all unencumbered  
7 balances shall be disbursed by the board of regents according to  
8 its policies. Any unencumbered balance remaining thereafter  
9 shall lapse to the credit of the general fund.

10 PART XVII

11 SECTION 36. On July 1, 2015, all unencumbered balances  
12 remaining in the accounts and funds repealed by this Act shall  
13 lapse to the credit of the general fund.

14 PART XVIII

15 SECTION 37. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 38. This Act shall take effect on July 1, 2015.

18

*Charles H. Ray*  
*Kindred Higgins*

INTRODUCED BY

*James A. Ray*  
*Matthew...*  
*Paul...*



# H.B. NO. 545

**Report Title:**

University of Hawaii; Non-General Funds; Repeal; Transfer of Balances

**Description:**

Repeals various non-general funds and accounts and transfers the unencumbered balances to the general fund. Makes conforming amendments.

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

