A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1	PART I
2	SECTION 1. The purpose of this Act is to repeal and
3	reclassify various non-general funds pursuant to the
4	recommendations made by the auditor in auditor's report no. 14-
5	18, entitled review of special funds, revolving funds, trust
6	funds, and trust accounts of the University of Hawaii.
7	PART II
8	SECTION 2. The purpose of this part is to reclassify the
9	Hawaii educator loan program special fund as a revolving fund.
10	The legislature finds that the fund functions as, and meets
11	the criteria for, a revolving fund and should be reclassified as
12	a revolving fund.
13	SECTION 3. Chapter 304A, part V, subpart D, Hawaii Revised
14	Statutes, is amended by adding a new section to be appropriately
15	designated and to read as follows:
16	"§304A- Hawaii educator loan program revolving fund.
17	There is established the Hawaii educator loan program revolving

1	fund, for the purpose of providing loans pursuant to section
2	304A-701. The following may be deposited into the revolving
3	fund: appropriations made by the legislature, private
4	contributions, repayment of loans, including interest and
5	payments received on account of principal, and moneys from othe
6	sources; provided that:
7	(1) Moneys on balance in the revolving fund at the close
8	of each fiscal year shall remain in that fund and
9	shall not lapse to the credit of the general fund; and
10	(2) An amount from the revolving fund not exceeding five
11	per cent of the total amount of outstanding loans may
12	be set by the university to be used for administrative
13	expenses incurred in administering the revolving
14	fund."
15	SECTION 4. Section 304A-701, Hawaii Revised Statutes, is
16	amended by amending subsection (g) to read as follows:
17	"(g) In accordance with chapter 103D, the university may
18	enter into written contracts with collection agencies for the
19	purpose of collecting delinquent loans. All payments collected
20	exclusive of a collection agency's commissions, shall revert,
21	and be credited, to the Hawaii educator loan program [special]

1 revolving fund[-] established pursuant to section 304A- . A 2 collection agency that enters into a written contract with the 3 university for the collection of delinquent loans pursuant to 4 this section may collect a commission from the debtor in 5 accordance with the terms of, and up to the amounts authorized in, the written contract." 6 7 SECTION 5. Section 304A-703, Hawaii Revised Statutes, is 8 amended to read as follows: 9 "[+]\$304A-703[+] Capacity of minors in qualifying for 10 Hawaii educator loans. Any student otherwise qualifying for a 11 loan under the Hawaii educator loan program [special] revolving 12 fund established pursuant to section 304A- shall not be 13 disqualified because the student is under the age of eighteen 14 years, and for the purpose of applying for, receiving, and 15 repaying the loan, any [such] person shall be deemed to have 16 full legal capacity to act and shall have all rights, powers, 17 privileges, and obligations of an adult with respect thereto." 18 SECTION 6. Section 304A-2161, Hawaii Revised Statutes, is 19 repealed. 20 ["[\$304A-2161] Hawaii educator loan program special fund. There is established the Hawaii educator loan program special 21



1	fund, for the purpose of providing loans pursuant to section
2	[304A-701]. The following may be deposited into the special
3	fund: appropriations made by the legislature, private
4	contributions, repayment of loans, including interest and
5	payments received on account of principal, and moneys from other
6	sources; provided that:
7	(1) Moneys on balance in the special fund at the close of
8	each fiscal-year shall remain in that fund and shall
9	not lapse to the eredit of the general fund; and
10	(2) An amount from the special fund not exceeding five per
11	cent of the total amount of outstanding loans may be
12	set by the university to be used for administrative
13	expenses incurred in administering the special fund."]
14	PART III
15	SECTION 7. The purpose of this part is to reclassify the
16	community colleges special fund as a revolving fund.
17	The legislature finds that the fund functions as, and meets
18	the criteria for, a revolving fund and should be reclassified as
19	a revolving fund.

1	SECTION 8. Chapter 304A, part V, subpart D, Hawaii Revised
2	Statutes, is amended by adding a new section to be appropriately
3	designated and to read as follows:
4	"§304A- Community colleges revolving fund. (a)
5	Section 304A-2003 notwithstanding, there is established a
6	community colleges revolving fund to receive, disburse, and
7	account for funds of programs and activities of the community
8	colleges, including off-campus programs, summer session
9	programs, overseas programs, evening sessions, study abroad,
10	exchange programs, cultural enrichment programs, and
11	consultative services that help make available the resources of
12	the community colleges to the communities they serve.
13	(b) The revolving fund may include deposits from:
14	(1) Tuition, fees, and charges for affiliated
15	instructional, training, and public service courses
16	and programs; and
17	(2) Fees, fines, and other money collected for:
18	(A) Student health;
19	(B) Transcript and diploma;
20	(C) Library;
21	(D) Facility use;

1	(E) Child care;		
2	(F) Auxiliary enterprises;		
3	(G) Alumni; and		
4	(H) Other related activities."		
5	SECTION 9. Section 304A-2162, Hawaii Revised Statutes, is		
6	repealed.		
7	["[\$304A-2162] Community colleges special fund. (a)		
8	Section [304A-2003] notwithstanding, there is established a		
9	community colleges special fund to-receive, disburse, and		
10	account for funds of programs and activities of the community		
11	colleges, including but not limited to off-campus programs,		
12	summer session programs, overseas programs, evening sessions,		
13	study abroad, exchange programs, cultural enrichment programs,		
14	and consultative services that help make available the resources		
15	of the community colleges to the communities they serve.		
16	(b) The special fund may include deposits from:		
17	(1) The University of Hawaii tuition and fees special func		
18	established in section [304A-2153];		
19	(2) Tuition, fees, and charges for affiliated		
20	instructional, training, and public service courses		
21	and programs; and		

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          (3) Fees, fines, and other money-collected for:
 2
               (A) Student-health;
 3
               <del>-(B)-</del>
                    Transcript and diploma;
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               (C) Library;
 5
               <del>(D)</del>
                    Facility use;
 6
               <del>(E)</del>
                    Child care;
 7
                    Auxiliary enterprises;
               <del>-(-F')-</del>
 8
               (G) Alumni; and
 9
               -(H)- Other related activities."]
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                                    PART IV
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          SECTION 10. The purpose of this part is to reclassify the
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    professional student exchange program special fund as a
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    revolving fund.
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          The legislature finds that a revolving fund classification
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    is more appropriate because the fund was created to account for
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    receipts and disbursements related to financial support provided
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    to participants of the professional student exchange program.
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          SECTION 11. Chapter 304A, part V, subpart D, is amended by
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    adding a new section to be appropriately designated and to read
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    as follows:
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1	" <u>§30</u>	Professional student exchange program
2	revolving	fund. (a) There is established a professional
3	student e	xchange program revolving fund to be administered and
4	expended [by the Hawaii commission.
5	<u>(b)</u>	The following moneys shall be deposited into the
6	revolving	fund:
7	(1)	Principal and interest payments received as repayment
8		of financial support from former or current
9		participants of the professional student exchange
10		program, pursuant to section 304A-3209; and
11	(2)	Interest earned or accrued on moneys in the revolving
12		fund.
13	<u>(c)</u>	Moneys in the revolving fund shall be expended to:
14	(1)	Support the professional student exchange program's
15		activities, including the provision of financial
16		support to participants at Western Interstate
17		Commission for Higher Education receiver institutions;
18		<u>and</u>
19	(2)	Enforce the collection of delinquent obligations."
20	SECT	ION 12. Section 304A-2179, Hawaii Revised Statutes, is
21	repealed.	

1	[" [\$	304A-2179] Professional student exchange program
2	special f	und. (a) There is established a professional student
3	exchange	program special fund to be administered and expended by
4	the Hawai	i commission.
5	(b)	The following moneys shall be deposited into the
6	special f	und:
7	(1)	Principal and interest payments received as repayment
8		of financial support from former or current
9		participants of the professional student exchange
10		program, pursuant to section 304A-3209; and
11	(2)	Interest earned or accrued on moneys in the special
12		fund.
13	(c)	Moneys in the special fund shall be expended to:
14	(1)	Support the professional student exchange program's
15		activities, including the provision of financial
16		support to participants at Western Interstate
17	•	Commission for Higher-Education receiver institutions;
18		and
19	(2)	Enforce the collection of delinquent obligations."]

1	PART V
2	SECTION 13. The purpose of this part is to repeal the
3	Senator Hiram L. Fong scholarship program endowment trust fund.
4	The legislature finds that the fund does not serve the
5	purpose for which it was created and should be repealed.
6	SECTION 14. Section 304A-2353, Hawaii Revised Statutes, is
7	repealed.
8	[" [§304A-2353] The Senator Hiram L. Fong scholarship
9	program; endowment trust. (a) There is established the Senator
10	Hiram L. Fong scholarship program to be administered by the
11	university with proceeds from an endowment trust that shall
12	receive its initial funding by an appropriation-out-of the
13	general revenues of the State. The program shall provide
14	financial support to students enrolled at any campus of the
15	university.
16	(b) Awards shall be granted annually to one female student
17	and one male student who:
18	(1) Are graduates of a public high school in the State;
19	(2) Are upperclassmen at the university;
20	(3) Submit winning essays to the board of regents on the
21	senator's contributions to Hawaii;



1	(4)	Have a demonstrated commitment to local community
2		issues, as shown by volunteer work and participation
3		in community organizations; and
4	-(5)	Have a demonstrated interest and knowledge of the
5		history of immigration to Hawaii.
6	-(c)	The amount to be awarded to a student shall be
7	determine	d by the board of regents with due regard to the total
8	amount of	funds available for the program. The award that a
9	student re	eccives under this program may be used to:
10	(1)	Pay for the costs of tuition and fees for a single
11		academic-year;
12	(2)	Pay for the costs of textbooks and other instructional
13		materials for a single academic year;
14	(3)	Pay for the costs of room and board at a dormitory or
15		apartment maintained by the university for a single
16		academic year; or
17	(4)	Defray the difference between student need, as
18		determined by the Free Application for Federal Student
19		Aid, and the total cost of attendance for a single
20		academic-year.

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-(d) The board of regents shall adopt rules to implement
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    the Senator Hiram L. Fong-scholarship program. The rules shall
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    be adopted pursuant to chapter 91 but shall-be exempt from the
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    public notice and public hearing requirements.
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         (c) The scholarship program shall be funded with proceeds
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    from an endowment trust established with initial funding-by-an
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    appropriation out of the general revenues of the State and shall
8
    be administered by the board-of-regents for the purposes-of
9
    supporting the Senator Hiram L. Fong-scholarship program."]
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                                  PART VI
         SECTION 15. The purpose of this part is to repeal the
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    Senator Oren E. Long scholarship program endowment trust.
13
         The legislature finds that the fund does not serve the
14
    purpose for which it was created and should be repealed.
         SECTION 16. Section 304A-2354, Hawaii Revised Statutes, is
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16
    repealed.
         ["<del>[$304A-2354] The Senator Oren E. Long-scholarship</del>
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    program; endowment trust. (a) There is established the Senator
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    Oren-E. Long-scholarship program to be administered by the
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    university with proceeds from an endowment trust that shall
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    receive its initial funding by an appropriation out of the
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1	general r	evenues of the State. The program shall provide
2	financial	support to students enrolled at any campus of the
3	universit	y -
4	-(b)	-Awards shall be granted annually to one female student
5	and one m	ale student who:
6	(1)	Are graduates of a public high school in the State;
7	(2)	Are upperclassmen-at the university; and
8	(3)	Submit winning essays to the board of regents on the
9		senator's contributions to Hawaii.
10	(c)	The amount to be awarded to a student shall be
11	determine	d by the board-of regents with due regard to the total
12	amount of	funds available for the program. The award that a
13	student r	eccives under this program may be used to:
14	(1)	Pay for the costs of tuition and fees for a single
15		academic year;
16	(2)	Pay for the costs of textbooks and other instructional
17		materials for a single academic year;
18	(3) -	Pay-for the costs of room and board at a dormitory or
19		apartment maintained by the university for a single
20		academic year; or

1 .	(4) Defray the difference between student need, as
2	determined by the Free Application for Federal Student
3	Aid, and the total cost of attendance for a single
4	academic year.
5	(d) The board of regents shall adopt rules to implement
6	the Senator Oren E. Long scholarship-program. The rules-shall
7	be adopted pursuant to chapter 91 but shall be exempt from the
8	public notice and public hearing requirements.
9	(e) The scholarship-program shall be funded with proceeds
10	from an endowment trust established with initial funding by an
11	appropriation out of the general revenues of the State and shall
12	be administered by the board of regents for the purposes of
13	supporting the Senator Oren E. Long scholarship program."]
14	PART VII
15	SECTION 17. The hurricane Iniki insurance proceeds special
16	fund administratively established in 1993 and administered by
17	the University of Hawaii is abolished.
18	PART VIII
19	SECTION 18. On July 1, 2015, all unencumbered balances
20	remaining in the accounts and funds repealed or abolished by
21	this Act shall lapse to the credit of the general fund; provided



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that on J	uly 1, 2015, the director of finance shall transfer the
unencumbe:	red balances in the:
(1)	Hawaii educator loan program special fund repealed
	pursuant to section 6 of this Act to the Hawaii
	educator loan program revolving fund established
	pursuant to section 3 of this Act;
(2)	Community colleges special fund repealed pursuant to
	section 9 of this Act to the community colleges
	revolving fund established pursuant to section 8 of
	this Act; and
(3)	Professional student exchange program special fund
	repealed pursuant to section 12 of this Act to the
	professional student exchange program revolving fund
	established pursuant to section 11 of this Act.
	PART IX
SECT:	ION 19. Statutory material to be repealed is bracketed
and stric	ken. New statutory material is underscored.
SECT	ION 20. This Act shall take effect on July 1, 2015.
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Report Title:

Non-General Funds; Repeal; Transfer of Balances

Description:

Repeals various non-general funds and accounts, transfers unencumbered balances to the general fund, and reclassifies selected special funds to revolving funds, as recommended by the auditor in report no. 14-18.

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