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# A BILL FOR AN ACT

RELATING TO STATE FINANCES.

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

1 PART I

2 SECTION 1. Chapter 37, Hawaii Revised Statutes, is amended  
3 by adding two new sections to be appropriately designated and to  
4 read as follows:

5 "§37- Special fund program measures reports. No later  
6 than October 1 annually, each department shall submit to the  
7 legislature a report for each non-general fund account that  
8 shall include but not be limited to the following:

- 9 (1) A statement of its objectives;  
10 (2) Measures quantifying the target population to be  
11 served for each of the ensuing six fiscal years;  
12 (3) Measures by which the effectiveness in attaining the  
13 objectives is to be assessed;  
14 (4) The level of effectiveness planned for each of the  
15 ensuing six fiscal years;  
16 (5) A brief description of the activities encompassed;  
17 (6) The program size indicators; and



1        (7) The program size planned for each of the next six  
2                    fiscal years.

3        §37- Special fund cost element reports. No later than  
4 October 1 annually, each department shall submit to the  
5 legislature a report for each non-general fund that shall  
6 include but not be limited to the following:

- 7            (1) Budget details by cost element; and
- 8            (2) Non-general fund names and account codes for each item  
9                    or object code."

10        SECTION 2. Section 37-47, Hawaii Revised Statutes, is  
11 amended to read as follows:

12        "[~~§~~37-47~~]~~ Reporting of non-general fund information.

13 No later than [~~twenty days prior to the convening of each~~  
14 ~~regular session,~~] October 1 annually, each department shall  
15 submit to the legislature a report for each non-general fund  
16 account [~~which~~] that shall include but not be limited to[~~7~~] the  
17 following:

- 18            (1) The name of the fund and a cite to the law authorizing  
19                    the fund;
- 20            (2) The intended purpose of the fund;



- 1           (3) The current program activities which the fund
- 2                    supports;
- 3           (4) The balance of the fund at the beginning of the
- 4                    current fiscal year;
- 5           (5) The total amount of expenditures and other outlays
- 6                    from the fund account for the previous fiscal year;
- 7           (6) The total amount of revenue deposited to the account
- 8                    for the previous fiscal year;
- 9           (7) A detailed listing of all transfers from the fund;
- 10          (8) The amount of moneys encumbered in the account as of
- 11                    the beginning of the fiscal year;
- 12          (9) The amount of funds in the account which are required
- 13                    for the purposes of bond conveyance or other related
- 14                    bond obligations;
- 15          (10) The amount of moneys in the account derived from bond
- 16                    proceeds; and
- 17          (11) The amount of moneys of the fund held in certificates
- 18                    of deposit, escrow accounts or other investments."

PART II

20           SECTION 3. Section 36-27, Hawaii Revised Statutes, is  
21 amended by amending subsection (a) to read as follows:



1           " (a) ~~[Except as provided in this section, and~~  
2 ~~notwithstanding any other law to the contrary, from time to~~  
3 ~~time, the]~~ The director of finance, for the purpose of defraying  
4 the prorated estimate of central service expenses of government  
5 in relation to all special funds, except the:

6           (1) Special out-of-school time instructional program fund  
7                   under section 302A-1310;

8           (2) School cafeteria special funds of the department of  
9                   education;

10          (3) Special funds of the University of Hawaii;

11          ~~[(4) State educational facilities improvement special fund,~~

12          ~~(5) Convention center enterprise special fund under~~  
13                   ~~section 201B-8,~~

14          ~~[(6)]~~ (4) Special funds established by section 206E-6;

15          ~~[(7)]~~ (5) Aloha Tower fund created by section 206J-17;

16          ~~[(8)]~~ (6) Funds of the employees' retirement system created  
17                   by section 88-109;

18          ~~[(9)]~~ (7) Hawaii hurricane relief fund established under  
19                   chapter 431P;

20          ~~[(10)]~~ (8) Hawaii health systems corporation special funds  
21                   and the subaccounts of its regional system boards;



- 1        [~~(11)~~] ~~Tourism special fund established under~~  
2                    ~~section 201B-11;~~
- 3        [~~(12)~~] (9) Universal service fund established under  
4                    section 269-42;
- 5        [~~(13)~~] (10) Emergency and budget reserve fund under  
6                    section 328L-3;
- 7        [~~(14)~~] (11) Public schools special fees and charges fund  
8                    under section 302A-1130;
- 9        [~~(15)~~] (12) Sport fish special fund under section 187A-9.5;
- 10       [~~(16)~~] (13) Neurotrauma special fund under section 321H-4;
- 11       [~~(17)~~] (14) Glass advance disposal fee established by  
12                    section 342G-82;
- 13       [~~(18)~~] (15) Center for nursing special fund under  
14                    section 304A-2163;
- 15       [~~(19)~~] (16) Passenger facility charge special fund  
16                    established by section 261-5.5;
- 17       [~~(20)~~] (17) Solicitation of funds for charitable purposes  
18                    special fund established by section 467B-15;
- 19       [~~(21)~~] (18) Land conservation fund established by  
20                    section 173A-5;





1     ~~[(34)]~~ (29) After-school plus program revolving fund under  
2                   section 302A-1149.5; and  
3     ~~[(35)]~~ (30) Civil monetary penalty special fund under  
4                   section 321-30.2,  
5 shall deduct five per cent of all receipts of all ~~[other]~~  
6 special funds, which deduction shall be transferred to the  
7 general fund of the State and become general realizations of the  
8 State. All officers of the State and other persons having power  
9 to allocate or disburse any special funds shall cooperate with  
10 the director in effecting these transfers. To determine the  
11 proper revenue base upon which the central service assessment is  
12 to be calculated, the director shall adopt rules pursuant to  
13 chapter 91 for the purpose of suspending or limiting the  
14 application of the central service assessment of any fund. No  
15 later than twenty days prior to the convening of each regular  
16 session of the legislature, the director shall report all  
17 central service assessments made during the preceding fiscal  
18 year."

19           SECTION 4. Section 36-30, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:

21           "(a) Each special fund, except the:



- 1 (1) Special out-of-school time instructional program fund
- 2 under section 302A-1310;
- 3 (2) School cafeteria special funds of the department of
- 4 education;
- 5 (3) Special funds of the University of Hawaii;
- 6 [~~(4)~~ ~~State educational facilities improvement special fund,~~
- 7 ~~(5)~~] (4) Special funds established by section 206E-6;
- 8 [~~(6)~~ (5) Aloha Tower fund created by section 206J-17;
- 9 [~~(7)~~ (6) Funds of the employees' retirement system created
- 10 by section 88-109;
- 11 [~~(8)~~ (7) Hawaii hurricane relief fund established under
- 12 chapter 431P;
- 13 [~~(9)~~ ~~Convention center enterprise special fund established~~
- 14 ~~under section 201B-8,~~
- 15 ~~(10)~~] (8) Hawaii health systems corporation special funds
- 16 and the subaccounts of its regional system boards;
- 17 [~~(11)~~ ~~Tourism special fund established under~~
- 18 ~~section 201B-11,~~
- 19 ~~(12)~~] (9) Universal service fund established under
- 20 section 269-42;



- 1        ~~[(13)]~~ (10)    Emergency and budget reserve fund under
- 2                            section 328L-3;
- 3        ~~[(14)]~~ (11)    Public schools special fees and charges fund
- 4                            under section 302A-1130;
- 5        ~~[(15)]~~ (12)    Sport fish special fund under section 187A-9.5;
- 6        ~~[(16)]~~ (13)    Neurotrauma special fund under section 321H-4;
- 7        ~~[(17)]~~ (14)    Center for nursing special fund under
- 8                            section 304A-2163;
- 9        ~~[(18)]~~ (15)    Passenger facility charge special fund
- 10                           established by section 261-5.5;
- 11        ~~[(19)]~~ (16)    Court interpreting services revolving fund under
- 12                           section 607-1.5;
- 13        ~~[(20)]~~ ~~Trauma system special fund under section 321-22.5;~~
- 14        ~~[(21)]~~ (17)    Hawaii cancer research special fund;
- 15        ~~[(22)]~~ (18)    Community health centers special fund;
- 16        ~~[(23)]~~ ~~Emergency medical services special fund;~~
- 17        ~~[(24)]~~ (19)    Rental motor vehicle customer facility charge
- 18                           special fund established under section 261-5.6;
- 19        ~~[(25)]~~ (20)    Shared services technology special fund under
- 20                           section 27-43;



1     ~~[(26)]~~ (21)   Nursing facility sustainability program special  
2                   fund established pursuant to ~~[+]~~section 346F-4 ~~[+]~~;

3     ~~[(27)]~~ (22)   Automated victim information and notification  
4                   system special fund established under section 353-136;

5     ~~[(28)]~~ (23)   Hospital sustainability program special fund  
6                   under ~~[+]~~section 346G-4 ~~[+]~~; and

7     ~~[(29)]~~ (24)   Civil monetary penalty special fund under  
8                   section 321-30.2,

9     shall be responsible for its pro rata share of the  
10    administrative expenses incurred by the department responsible  
11    for the operations supported by the special fund concerned."

12           SECTION 5.   Section 245-15, Hawaii Revised Statutes, is  
13    amended to read as follows:

14           "**§245-15 Disposition of revenues.**   (a)   All moneys  
15    collected pursuant to this chapter shall be paid into the state  
16    treasury as state realizations to be kept and accounted for as  
17    provided by law; provided that, of the moneys collected under  
18    the tax imposed pursuant to:

19           (1)   Section 245-3(a)(5), after September 30, 2006, and  
20                prior to October 1, 2007, 1.0 cent per cigarette shall  
21                be deposited to the credit of the Hawaii cancer



1 research special fund, established pursuant to  
2 section 304A-2168, for research and operating expenses  
3 and for capital expenditures;

4 (2) Section 245-3(a)(6), after September 30, 2007, and  
5 prior to October 1, 2008:

6 (A) 1.5 cents per cigarette shall be deposited to the  
7 credit of the Hawaii cancer research special  
8 fund, established pursuant to section 304A-2168,  
9 for research and operating expenses and for  
10 capital expenditures;

11 (B) 0.25 cents per cigarette shall be deposited to  
12 the credit of the trauma system special fund  
13 established pursuant to section 321-22.5; and

14 (C) 0.25 cents per cigarette shall be deposited to  
15 the credit of the emergency medical services  
16 special fund established pursuant to  
17 section 321-234;

18 (3) Section 245-3(a)(7), after September 30, 2008, and  
19 prior to July 1, 2009:

20 (A) 2.0 cents per cigarette shall be deposited to the  
21 credit of the Hawaii cancer research special



1 fund, established pursuant to section 304A-2168,  
2 for research and operating expenses and for  
3 capital expenditures;

4 (B) 0.5 cents per cigarette shall be deposited to the  
5 credit of the trauma system special fund  
6 established pursuant to section 321-22.5;

7 (C) 0.25 cents per cigarette shall be deposited to  
8 the credit of the community health centers  
9 special fund established pursuant to  
10 section 321-1.65; and

11 (D) 0.25 cents per cigarette shall be deposited to  
12 the credit of the emergency medical services  
13 special fund established pursuant to  
14 section 321-234;

15 (4) Section 245-3(a)(8), after June 30, 2009, and prior to  
16 July 1, 2013:

17 (A) 2.0 cents per cigarette shall be deposited to the  
18 credit of the Hawaii cancer research special  
19 fund, established pursuant to section 304A-2168,  
20 for research and operating expenses and for  
21 capital expenditures;



- 1 (B) 0.75 cents per cigarette shall be deposited to
- 2 the credit of the trauma system special fund
- 3 established pursuant to section 321-22.5;
- 4 (C) 0.75 cents per cigarette shall be deposited to
- 5 the credit of the community health centers
- 6 special fund established pursuant to
- 7 section 321-1.65; and
- 8 (D) 0.5 cents per cigarette shall be deposited to the
- 9 credit of the emergency medical services special
- 10 fund established pursuant to section 321-234;
- 11 (5) Section 245-3(a)(11), after June 30, 2013, and prior
- 12 to July 1, 2015:
- 13 (A) 2.0 cents per cigarette shall be deposited to the
- 14 credit of the Hawaii cancer research special
- 15 fund, established pursuant to section 304A-2168,
- 16 for research and operating expenses and for
- 17 capital expenditures;
- 18 (B) 1.5 cents per cigarette shall be deposited to the
- 19 credit of the trauma system special fund
- 20 established pursuant to section 321-22.5;



- 1 (C) 1.25 cents per cigarette shall be deposited to
- 2 the credit of the community health centers
- 3 special fund established pursuant to
- 4 section 321-1.65; and
- 5 (D) 1.25 cents per cigarette shall be deposited to
- 6 the credit of the emergency medical services
- 7 special fund established pursuant to
- 8 section 321-234; and
- 9 (6) Section 245-3(a)(11), after June 30, 2015, and
- 10 [thereafter]:
- 11 (A) Before July 1, 2041 2.0 cents per cigarette shall
- 12 be deposited to the credit of the Hawaii cancer
- 13 research special fund, established pursuant to
- 14 section 304A-2168, for [~~research and operating~~
- 15 ~~expenses and for~~] capital expenditures;
- 16 (B) 1.125 cents per cigarette, but not more than
- 17 \$7,400,000 in a fiscal year, shall be deposited
- 18 to the credit of the trauma system special fund
- 19 established pursuant to section 321-22.5;
- 20 (C) 1.25 cents per cigarette, but not more than
- 21 \$8,800,000 in a fiscal year, shall be deposited



1 to the credit of the community health centers  
2 special fund established pursuant to  
3 section 321-1.65; and  
4 (D) Before July 1, 2021, 1.25 cents per cigarette,  
5 but not more than \$8,800,000 in a fiscal year,  
6 shall be deposited to the credit of the emergency  
7 medical services special fund established  
8 pursuant to section 321-234.

9 (b) The department shall provide an annual accounting of  
10 these dispositions to the legislature."

11 PART III

12 SECTION 6. The University of Hawaii cancer center (UH  
13 cancer center) reduces the burden of cancer through research,  
14 education, patient care, and community outreach. The UH cancer  
15 center is the only National Cancer Institute (NCI)-designated  
16 cancer center in Hawaii and the Pacific region. The UH cancer  
17 center is a member of the Hawaii Cancer Consortium along with  
18 five hospital groups and the University of Hawaii John A. Burns  
19 school of medicine (JABSOM).

20 JABSOM educates and trains health care professionals,  
21 including physicians, biomedical scientists, and allied health



1 workers. JABSOM also conducts fundamental medical research and  
2 translates discoveries into delivery practices. Because JABSOM  
3 is a community-based medical school without its own university  
4 hospital, it partners with private hospitals in the community to  
5 achieve its educational mission.

6 The public funds and other resources the State has made  
7 available to JABSOM and the UH cancer center have been  
8 substantial. The magnitude of state funds and other resources  
9 provided to the University of Hawaii, the distinction of the  
10 university being the sole public institution of higher education  
11 in the State, and the UH cancer center being the only NCI-  
12 designated cancer center in Hawaii underscore the importance of  
13 establishing complementary strategic priorities and coordinating  
14 the management and deployment of state resources appropriated to  
15 JABSOM and UH cancer center.

16 It is in the public's interest that State resources be  
17 efficiently and effectively managed to optimize the public  
18 benefits. Just as co-locating the physical facilities for  
19 JABSOM and UH cancer center on adjoining sites in Kakaako  
20 promotes synergistic efforts, the legislature determines that it  
21 is a statewide concern to ensure that the management of public



1 resources provided to JABSOM and UH cancer center be integrated,  
2 coordinated, and focused on common priorities to avoid  
3 unnecessary duplication of administrative expenses or  
4 conflicting priorities.

5 Placing resources devoted to training and educating  
6 physicians and conducting cancer research in an integrated  
7 university organizational structure as opposed to stand-alone  
8 and duplicative organizations will foster a uniform strategic  
9 vision. Unified leadership will also allow better coordination  
10 with the University of Hawaii's private partners in the hospital  
11 community and with other state agencies.

12 The legislature finds that as a matter of statewide  
13 concern, the UH cancer center should be more closely affiliated  
14 with JABSOM and be administered as an organized research unit of  
15 JABSOM. Merging JABSOM and the UH cancer center's  
16 administrative services and infrastructure teams will offer  
17 efficiency by eliminating redundancy and sharing administrative  
18 expertise and experience to reduce processing delays.

19 The legislature notes that several outstanding medical  
20 schools at other universities integrate their cancer research  
21 programs closely with their medical schools. For example, the



1 Washington University School of Medicine in St. Louis is the  
2 parent institution to the Siteman Cancer Center. The Siteman  
3 Cancer Center is designated as a comprehensive cancer center and  
4 holds an "exceptional" rating from the NCI. The MD Anderson  
5 Cancer Center in Houston, Texas is a comprehensive cancer center  
6 and operates in close affiliation with the McGovern Medical  
7 School as part of the University of Texas Health Science Center  
8 at Houston.

9 The legislature also notes that from 2014 to 2016, the  
10 University of Hawaii developed business plans, hired  
11 consultants, and made presentations to its board of regents on  
12 the university's plans to integrate the University of Hawaii  
13 Kakaako health science campus and eliminate operational  
14 redundancies between JABSOM and the UH cancer center. Further,  
15 the University of Hawaii frequently groups different organized  
16 research units within a larger administrative structure. For  
17 example, the school of ocean and earth science and technology  
18 encompasses several outstanding research units, including the  
19 center for microbial oceanography: research and education and  
20 Hawaii institute of marine biology.



1           To maintain the NCI designation as a cancer center  
2 consistent with NCI guidelines, the director of the UH cancer  
3 center shall continue to have a direct line of reporting and  
4 accountability to the provost of the University of Hawaii at  
5 Manoa.

6           Accordingly, the purpose of this part is to require:

- 7           (1) The director of UH cancer center to be appointed by  
8           the University of Hawaii's board of regents upon  
9           recommendation from the provost of the University of  
10          Hawaii at Manoa instead of the dean of JABSOM;
- 11          (2) The UH cancer center to be administratively affiliated  
12          with JABSOM;
- 13          (3) The director of the UH cancer center to report to the  
14          provost of the University of Hawaii at Manoa and  
15          coordinate with the president of the university;
- 16          (4) Funds expended from or originating from the University  
17          of Hawaii tuition and fees special fund established by  
18          section 304A-2153, Hawaii Revised Statutes, for JABSOM  
19          or the UH cancer center to be used for educational  
20          purposes only; and



1 (5) Funds expended from or originating from the research  
 2 and training revolving fund established by section  
 3 304A-2253, Hawaii Revised Statutes, for JABSOM or the  
 4 UH cancer center to be used for research and research-  
 5 related purposes only.

6 SECTION 7. Chapter 304A, part IV, Hawaii Revised Statutes,  
 7 is amended by adding a new subpart to be appropriately  
 8 designated and to read as follows:

9 " . Cancer Research Center of Hawaii

10 §304A- Cancer research center of Hawaii. (a) There is  
 11 established an organized research unit, hereinafter known as the  
 12 "cancer research center of Hawaii", to conduct cancer research.  
 13 The cancer research center of Hawaii shall be administered by a  
 14 director to be appointed by the board of regents upon  
 15 recommendation by the provost of the University of Hawaii at  
 16 Manoa with the concurrence of the president of the university.  
 17 The cancer research center of Hawaii shall be affiliated with  
 18 the John A. Burns school of medicine; provided that the director  
 19 of the cancer research center of Hawaii shall report to the  
 20 provost of the University of Hawaii at Manoa and coordinate with  
 21 the president of the university.



1 (b) Notwithstanding any other law to the contrary, funds  
2 expended from or originating from the University of Hawaii  
3 tuition and fees special fund, established under section  
4 304A-2153, for the school of medicine or the cancer research  
5 center of Hawaii shall be used by the school of medicine or the  
6 cancer research center of Hawaii for educational purposes only.

7 (c) Notwithstanding any other law to the contrary, funds  
8 expended from or originating from the research and training  
9 revolving fund, established under section 304A-2253, for the  
10 school of medicine or the cancer research center of Hawaii shall  
11 be used by the school of medicine or the cancer research center  
12 of Hawaii for research and research-related purposes only.

13 (d) The cancer research center of Hawaii's research agenda  
14 shall focus on research, education, patient care, and community  
15 outreach and should reflect an understanding of the ethnic,  
16 cultural, and environmental characteristics of the State and the  
17 Pacific region. The cancer research center of Hawaii may:

- 18 (1) Engage in international research collaborations;  
19 (2) Undertake research studies and clinical trials; and  
20 (3) Participate in projects and programs of the National  
21 Cancer Institute."



1 SECTION 8. Section 304A-2153, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 **"§304A-2153 University of Hawaii tuition and fees special**  
4 **fund.** (a) There is established the University of Hawaii  
5 tuition and fees special fund into which shall be deposited all  
6 revenue collected by the university for regular, summer, and  
7 continuing education credit tuition, tuition-related course and  
8 fee charges, and any other charges to students, except as  
9 provided by law. Moneys deposited into the fund shall be  
10 expended to maintain or improve the university's programs and  
11 operations and shall not be:

- 12 (1) Used as a justification for reducing any budget  
13 request or allotment to the university unless the  
14 university requests such a reduction;
- 15 (2) Transferred unless otherwise authorized by the  
16 legislature; and
- 17 (3) Restricted by the governor or the director of finance  
18 without the prior approval of the legislature.

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



1           (b) Any law to the contrary notwithstanding, the board of  
2 regents may authorize expenditures of up to \$3,000,000 annually,  
3 excluding in-kind services, from this fund for the purposes of  
4 promoting alumni relations and generating private donations for  
5 deposit into the University of Hawaii Foundation for the  
6 purposes of the university. Any expenditure authorized pursuant  
7 to this subsection shall be for a public purpose and shall not  
8 be subject to chapters 42F, 103, 103D, and 103F. The university  
9 shall submit a comprehensive report to the legislature detailing  
10 the use of any funds authorized by the board under this  
11 subsection no later than twenty days prior to the convening of  
12 each regular session.

13           The report shall:

- 14           (1) Identify each department of the University of Hawaii  
15           Foundation supported by moneys from the fund;
- 16           (2) Describe the purposes and activities of each  
17           department identified in paragraph (1) and how it  
18           participates in fundraising activities and benefits  
19           the university;



- 1           (3) Provide the total expenditures of each department  
2           identified in paragraph (1) by primary expense  
3           categories;
- 4           (4) Identify all moneys from the fund transferred to any  
5           fund of the university and provide a justification of  
6           how these moneys are used to benefit the university;
- 7           (5) Provide a financial summary of the operating  
8           activities of the University of Hawaii Foundation,  
9           including revenues and expenditures by major reporting  
10          categories; and
- 11          (6) Identify amounts and purposes of all expenditures from  
12          the University of Hawaii support fund.
- 13          (c) Any law to the contrary notwithstanding, the  
14          university may transfer funds from the University of Hawaii  
15          tuition and fees special fund into the scholarship and  
16          assistance special fund established pursuant to section  
17          304A-2159.
- 18          (d) In estimating its quarterly budget requirements, each  
19          campus of the University of Hawaii shall prepare a plan for the  
20          fiscal year for the operation of each of the programs that it is  
21          responsible for administering. The operations plan shall be:



1 (1) In such form and content as the vice president for  
2 budget and finance and chief financial officer of the  
3 University of Hawaii may prescribe; and

4 (2) Submitted, together with the estimated quarterly  
5 budget requirements, to the vice president for budget  
6 and finance and chief financial officer on [~~such~~] a  
7 date [~~as~~] that the vice president for budget and  
8 finance and chief financial officer may prescribe.

9 (e) The president and vice president for budget and  
10 finance and chief financial officer of the University of Hawaii:

11 (1) Shall review the operations plan for each campus to  
12 determine if:

13 (A) It is consistent with the policy decisions of the  
14 board of regents and appropriations by the  
15 legislature;

16 (B) It reflects proper planning and efficient  
17 management methods; and

18 (C) Appropriations have been made for the planned  
19 purpose and will not be exhausted before the end  
20 of the fiscal year;



1 (2) Shall approve the operations plan for each campus if  
2 they determine that the operations plan meets the  
3 requirements of paragraph (1); and

4 (3) May modify or withhold the planned expenditures of any  
5 campus at any time during the appropriations period.

6 (f) At the end of each fiscal year, the moneys in the  
7 University of Hawaii tuition and fees special fund for each  
8 campus shall lapse to the credit of program identification  
9 number UOH900 (University of Hawaii, system wide support).

10 (g) Notwithstanding any other law to the contrary, funds  
11 expended from or originating from this fund for the University  
12 of Hawaii school of medicine or the cancer research center of  
13 Hawaii shall be used by the school of medicine or the cancer  
14 research center of Hawaii for educational purposes only."

15 SECTION 9. Section 304A-2253, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 "**§304A-2253 Research and training revolving fund.** (a)

18 There is established a University of Hawaii research and  
19 training revolving fund into which shall be deposited one  
20 hundred per cent of the total amount of indirect overhead  
21 revenues generated by the university from research and training



1 programs. The board of regents is authorized to expend one  
2 hundred per cent of the revenues deposited in the fund for:

- 3 (1) Research and training purposes that may result in  
4 additional research and training grants and contracts;  
5 (2) Facilitating research and training at the university;  
6 and  
7 (3) Further deposit into the discoveries and inventions  
8 special fund.

9 (b) The annual report required to be made for this  
10 revolving fund shall include but not be limited to a breakdown  
11 of travel expenses.

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



1 (d) Revenues deposited into the fund shall not be used as  
2 a basis for reducing any current or future budget request or  
3 allotment to the university unless the university requests such  
4 a reduction.

5 (e) Notwithstanding any other law to the contrary, funds  
6 expended from or originating from this fund for the University  
7 of Hawaii school of medicine or the cancer research center of  
8 Hawaii shall be used by the school of medicine or the cancer  
9 research center of Hawaii for research and research-related  
10 purposes only."

11 PART IV

12 SECTION 10. Section 304A-2168, Hawaii Revised Statutes, is  
13 amended by amending subsection (d) to read as follows:

14 "(d) Beginning on January 1, 2010, the University of  
15 Hawaii shall report [~~semi-annually~~] to the legislature, no later  
16 than twenty days prior to the convening of each regular session,  
17 on the moneys in the Hawaii cancer research special fund,  
18 including deposits, expenditures, and other transactions. The  
19 [~~reports~~] report shall explain in detail all expenditures from  
20 the special fund[-] for the last fiscal year."

21 PART V



1           SECTION 11. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 12. This Act shall take effect on July 1, 2050.



**Report Title:**

State Finances; Special Funds; General Fund; Central Services Expenses; Reporting

**Description:**

Part I - By October 1 of each year, requires each department to submit program measures, costs elements, and accounting reports for all non-general funds to the Legislature. Specifies that the cigarette tax revenues deposited to the credit of the cancer research special fund shall only be used for capital expenditures and only until 7/1/2041. Part II - Makes certain special funds subject to deductions for central service expenses into the general fund. Beginning 7/1/2021 transfers to the credit of the general fund surcharges and cigarette tax revenue allocated to the trauma systems special fund. Part III - Requires the cancer research center of Hawaii to be affiliated with the John A. Burns school of medicine with direct lines of reporting to the provost of University of Hawaii at Manoa and coordinate with the president of the university. Requires funds expended from the tuition and fees special fund for the John A. Burns school of medicine or cancer research center of Hawaii to be used for educational purposes only. Requires funds expended from the research and training revolving fund for the John A. Burns school of medicine and cancer research center of Hawaii to be used for research and research-related purposes only. Amends the reporting requirement on the Hawaii cancer research special fund from semi-annually to annually. Effective 7/1/2050. (SD1)

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

