

JAN 27 2021

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# A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND.

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

1 SECTION 1. 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

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1 (3) Restricted by the governor or the director of finance  
2 without the prior approval of the legislature.

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

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

18 The report shall:

19 (1) Identify each department of the University of Hawaii  
20 Foundation supported by moneys from the fund;

21 (2) Describe the purposes and activities of each  
22 department identified in paragraph (1) and how it

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1           participates in fundraising activities and benefits  
2           the university;

3           (3) Provide the total expenditures of each department  
4           identified in paragraph (1) by primary expense  
5           categories;

6           (4) Identify all moneys from the fund transferred to any  
7           fund of the university and provide a justification of  
8           how these moneys are used to benefit the university;

9           (5) Provide a financial summary of the operating  
10          activities of the University of Hawaii Foundation,  
11          including revenues and expenditures by major reporting  
12          categories; and

13          (6) Identify amounts and purposes of all expenditures from  
14          the University of Hawaii support fund.

15          (c) Any law to the contrary notwithstanding, the  
16          university may transfer funds from the University of Hawaii  
17          tuition and fees special fund into the scholarship and  
18          assistance special fund established pursuant to section 304A-  
19          2159.

20          ~~[(d) In estimating its quarterly budget requirements, each~~  
21          ~~campus of the University of Hawaii shall prepare a plan for the~~  
22          ~~fiscal year for the operation of each of the programs that it is~~  
23          ~~responsible for administering. The operations plan shall be:~~

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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 date~~  
7 ~~as the vice president for budget and finance and chief~~  
8 ~~financial officer may prescribe.~~

9 ~~(c) 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;~~

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

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1       ~~(3) May modify or withhold the planned expenditures of any~~  
2               ~~campus at any time during the appropriations period.~~

3       ~~(f) At the end of each fiscal year, the moneys in the~~  
4       ~~University of Hawaii tuition and fees special fund for each~~  
5       ~~campus shall lapse to the credit of program identification~~  
6       ~~number UOH900 (University of Hawaii, system wide support).]"~~

7       SECTION 2. Statutory material to be repealed is bracketed  
8       and stricken.

9       SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY: 

12

BY REQUEST

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**Report Title:**

University of Hawaii; Tuition and Fees Special Fund

**Description:**

Repeals the requirement that each University of Hawaii campus prepare an operations plan, to be reviewed by the President and the Vice President for Budget and Finance and the Chief Financial Officer of the University of Hawaii, for each fiscal year. Repeals the requirement that the moneys in the University of Hawaii Tuition and Fees Special Fund for each University of Hawaii campus to lapse to the credit of Program ID No. UOH900 (University of Hawaii, system wide support).

*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: University of Hawaii

TITLE: A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII TUITION AND FEES SPECIAL FUND.

PURPOSE: Repeal the requirement that each University of Hawaii (UH) campus prepare an operations plan, to be reviewed by the President and Vice President for Budget and Finance and Chief Financial Officer (CFO) of UH, for each fiscal year; and further repeal the requirement that the moneys in the UH Tuition and Fees Special Fund for each UH campus lapse to the credit of Program ID No. UOH900 (University of Hawaii, system wide support).

MEANS: Amend section 304A-2153, Hawaii Revised Statutes.

JUSTIFICATION: Act 236, Session Laws of Hawaii 2015, required each UH campus to prepare an operations plan to be reviewed by the President of UH. The Act also required moneys in the UH Tuition and Fees Special Fund for each UH campus to lapse at the end of each fiscal year to the credit of UH, System Wide Support (UOH900). The fiscal controls in Act 236 also provided the President and CFO of the UH with significantly greater control over UH operations.

The operations plan is not necessary, as Regent Policy (RP) 8.204 requires the Board of Regents to approve an annual operating budget for UH and to review those planned budgets with actual performance at multiple points throughout the fiscal year. RP 8.204 goes beyond the requirements of Act 236 as it delineates Board approval and review.

When a student (or the student's family) pays tuition or fees to a particular program or campus, the student may feel that that money should only benefit that particular recipient. Comingling of funds or the use of those funds outside of that campus may be inconsistent with the expectations of those that paid to a specific entity, thereby resulting in misunderstandings.

While this may be viewed as a uniform way to manage funds paid to campuses via tuition and fees, it may also be contrary to the sense to those paying the fees that their money will stay within a particular campus and/or program for the student's needs.

The amount of fees a student pays in a particular program can be significantly different from that in another program. Therefore, parents paying for their child's expenses in a program with a significant amount of fees may be dismayed to learn that the amount of fees paid to the program could later be used for other purposes outside of the intent of the fee since any funds left over at the end of the fiscal year would be transferred to UOH900 for use throughout the UH system instead of being encumbered by the program, as was the case prior to Act 236.

Impact on the public: None.

Impact on the department and other agencies:  
None.

GENERAL FUND:	None.
OTHER FUNDS:	None.
PPBS PROGRAM DESIGNATION:	UOH900.
OTHER AFFECTED AGENCIES:	None.
EFFECTIVE DATE:	Upon approval.