

A Bill for an Act Relating to Higher Education.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 36-27, Hawaii Revised Statutes, is amended to read as follows:

“**§36-27 Transfers from special funds for central service expenses.** Except as provided in this section, and notwithstanding any other law to the contrary, from time to time the director of finance, for the purpose of defraying the prorated estimate of central service expenses of government in relation to all special funds, except the:

- (1) Special summer school and intersession fund under section 302A-1310;
- (2) School cafeteria special funds of the community colleges and the department of education;
- (3) Special funds of the student housing, summer session, college of continuing education and community service, campus center, Kau’iokahaloa Iki faculty housing development, and bookstores of the University of Hawaii;
- (4) State educational facilities improvement special fund;
- (5) Convention center capital and operations special fund;
- (6) Special funds established by section 206E-6;
- (7) Housing loan program revenue bond special fund;
- (8) Housing project bond special fund;
- (9) Aloha Tower fund created by section 206J-17;
- (10) Spouse and child abuse special account under section 346-7.5;
- (11) Spouse and child abuse special account under section 601-3.6;
- (12) Funds of the employees’ retirement system created by section 88-109;
- (13) Unemployment compensation fund established under section 383-121;
- (14) Hawaii hurricane relief fund established under chapter 431P;
- (15) The University of Hawaii tuition and fees special fund; and
- (16) Division of community hospitals’ special fund[.];

shall deduct five per cent of all receipts of all other special funds, which deduction shall be transferred to the general fund of the State and become general realizations of the State. All officers of the State and other persons having power to allocate or disburse any special funds shall cooperate with the director in effecting these transfers. To determine the proper revenue base upon which the central service assessment is to be calculated, the director shall adopt rules pursuant to chapter 91 for the purpose of suspending or limiting the application of the central service assessment of any fund. No later than twenty days prior to the convening of each regular session of the legislature, the director shall report all central service assessments made during the preceding fiscal year.”

SECTION 2. Section 36-30, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Each special fund, except the:

- (1) Transportation use special fund established by section 261D-1;
- (2) Special summer school and intersession fund under section 302A-1310;
- (3) School cafeteria special funds of the community colleges and the department of education;

- (4) Special funds of the student housing, summer session<sup>1</sup> college of continuing education and community service, campus center, Kau'iokahaloa Iki faculty housing development and bookstores of the University of Hawaii;
- (5) State educational facilities improvement special fund;
- (6) Special funds established by section 206E-6;
- (7) Aloha Tower fund created by section 206J-17;
- (8) Spouse and child abuse special account under section 346-7.5;
- (9) Spouse and child abuse special account under section 601-3.6;
- (10) Funds of the employees' retirement system created by section 88-109;
- (11) Unemployment compensation fund established under section 383-121;
- (12) Hawaii hurricane relief fund established under chapter 431P;
- (13) Convention center capital and operations special fund established under section 206X-10.5;
- (14) The University of Hawaii tuition and fees special fund; and
- (15) Division of community hospitals' special fund[,];

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

SECTION 3. The board of regents of the University of Hawaii, with the approval of the governor, may issue revenue bonds in an aggregate principal amount not to exceed \$3,600,000 for the purpose of repaying the outstanding construction loan for a portion of the University of Hawaii Kau'iokahaloa Iki faculty housing development advanced by the housing finance and development corporation from the dwelling unit revolving fund created in section 201E-204, Hawaii Revised Statutes. For purposes of this Act, the term "project" means that portion of the University of Hawaii Kau'iokahaloa Iki faculty housing development consisting of the "for sale" units which do not constitute a part of the university system heretofore created by the board of regents. The revenue bonds shall be issued pursuant to chapter 306, Hawaii Revised Statutes, except as follows:

- (1) The term "university project" includes the project;
- (2) The term "revenue of the university" includes any moneys derived from the rental or sale of the project or moneys on deposit in the housing assistance revolving fund created in section 304-8.96, Hawaii Revised Statutes;
- (3) The term "revenue of the university project or university system" includes any moneys derived from the rental or sale of the project or moneys on deposit in the housing assistance revolving fund created in section 304-8.96, Hawaii Revised Statutes;
- (4) Section 306-5(3), section 306-9, and the first paragraph of section 306-10, Hawaii Revised Statutes, shall not apply to the revenue bonds authorized by this Act;
- (5) The director of finance shall establish as a special deposit in the treasury of the State, a separate special fund into which all revenues received from the rental or sale of the project shall be paid, which special fund is hereby created and shall be known as the Kau'iokahaloa Iki faculty housing development special fund;
- (6) All moneys in the Kau'iokahaloa Iki faculty housing development special fund shall be appropriated and applied in accordance with the provisions of the resolution or resolutions of the board of regents providing for the issuance of the revenue bonds authorized by this Act:
  - (A) To provide for the costs of operation, repair, and maintenance of the project;

- (B) To pay, when due, all revenue bonds and interest thereon, for the payment of which all revenues derived from the rental or sale of the project is or has been pledged, charged, or otherwise encumbered, including reserves thereof; and
- (C) To pay items as are specified in the resolution or resolutions providing for the issuance of the revenue bonds authorized by this Act;
- (7) In addition and supplemental to the moneys in the Kau'iokahaloa Iki faculty housing development special fund, the board of regents may apply moneys on deposit in the housing assistance revolving fund created in section 304-8.96, Hawaii Revised Statutes, to any of the purposes specified in paragraph 6 above; and
- (8) The revenue bonds authorized by this Act may be evidenced in the form of a loan agreement or other contract and be sold pursuant to loan contracts with lenders authorized to do business in the State.

SECTION 4. The proceeds of the revenue bonds authorized by this Act are appropriated for fiscal year 1997-1998, and to the extent the proceeds or any part thereof is not encumbered or expended in fiscal year 1997-1998, the amount of the proceeds not so expended is appropriated for fiscal year 1998-1999, for the purpose of repaying the outstanding construction loan for the project advanced by the housing finance and development corporation from the dwelling unit revolving fund created in section 201E-204, Hawaii Revised Statutes.

SECTION 5. There is hereby appropriated from moneys on deposit in the Kau'iokahaloa Iki faculty housing development special fund the sum of \$612,442 or so much thereof as may be necessary for fiscal year 1997-1998 and the sum of \$540,442 or so much thereof as may be necessary for fiscal year 1998-1999 to pay the costs of operation, repair, and maintenance of the project and to pay the principal of and interest on the revenue bonds authorized by this Act. In the event that moneys on deposit in the Kau'iokahaloa Iki faculty housing development special fund are insufficient for the purpose, the board of regents may apply and there is hereby appropriated from the housing assistance revolving fund created in section 304-8.96, Hawaii Revised Statutes, to the extent the appropriation is required by law, for fiscal year 1997-1998, an amount equal to the difference between \$612,442 and the amount actually made available during the fiscal year pursuant to the appropriation contained in the preceding sentence from the Kau'iokahaloa Iki faculty housing development special fund, and for fiscal year 1998-1999, an amount equal to the difference between \$540,442, and the amount actually made available during the fiscal year pursuant to the appropriation contained in the preceding sentence from the Kau'iokahaloa Iki faculty housing development special fund, for the purposes of this Act.

SECTION 6. The appropriation of moneys under this Act shall be expended by the board of regents of the University of Hawaii for the purposes of this Act.

SECTION 7. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 8. This Act shall take effect on July 1, 1997.

(Approved June 16, 1997.)

**Note**

1. Prior to amendment “,” appeared here.