

ACT 182

H.B. NO. 1656

A Bill for an Act Relating to the University of Hawaii.

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

SECTION 1. Beginning with Acts 320 and 321, Session Laws of Hawaii 1986, the legislature has provided the University of Hawaii with increasing administrative and budgetary flexibility. Through Act 161, Session Laws of Hawaii 1995, the legislature provided the board of regents authority to manage tuition revenues generated for university programs.

The purpose of this Act is to make consistent the authority provided by the board of regents by Act 161 by deleting the statutory requirement to set aside tuition revenues for scholarships under the Hawaii opportunity program in education (HOPE) program. This Act creates the Hawaii opportunity in education (HOPE) endowment special fund, with the board of regents rather than the director of finance responsible for the management of this fund.

SECTION 2. Section 304-8, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Moneys appropriated by the legislature for the university shall be payable by the director of finance, upon vouchers approved by the board of regents or by any officer elected or appointed by the board under section 304-4 and authorized by the board to approve such vouchers on behalf of the board. All moneys received by or on behalf of the board of the university shall be deposited with the director of finance, except that any moneys received from the federal government or from private contributions shall be deposited and accounted for in accordance with conditions established by the agencies or persons from whom the moneys are received and except that with the concurrence of the director of finance, moneys received from the federal government for research, training, and other related purposes of a transitory nature and moneys in trust or revolving funds administered by the university may be deposited in depositories other than the state treasury. [Beginning with the 1995-1996 fiscal year, all] All income from regular credit tuition and tuition related course and fee charges against students shall be deposited to the credit of the student tuition and fees special fund pursuant to section 304-16.5; provided that such income collected during the 1994-1995 fiscal year credited to the 1995-1996 academic year shall be deposited into the fund]. Income derived from sale of goods or services shall be deposited to the credit of the general fund of the State; provided that income from university projects as defined and described in sections 306-1 to 306-12, may be credited to special or other funds; provided further that in each fiscal year from 1997-1998 through 2001-2002, at least the first \$1,000,000 of tuition collected by the university shall be deposited in the state treasury to the credit of the Hawaii opportunity program in education special fund.

The university shall also actively seek private participation in the Hawaii opportunity program in education program].”

SECTION 3. Section 304-8.95, Hawaii Revised Statutes, is amended to read as follows:

“[[]§304-8.95[] Hawaii opportunity program in education endowment special fund. (a) There is created in the treasury of the State, the Hawaii opportunity program in education (HOPE) endowment special fund. Expenditures from the Hawaii opportunity program in education endowment special fund shall be limited to:

- (1) Providing funds to award scholarships, stipends, and mandatory fees for the University of Hawaii to financially needy students with priority given to students from ethnic groups which are under-represented in the student population of the University of Hawaii; and
- (2) Pay all costs incident to the prudent investment of the principal and income deposited in the endowment special fund.

Appropriations or authorizations from the Hawaii opportunity program in education endowment special fund shall be expended by the [University of Hawaii] board of regents.

(b) The endowment special fund shall be administered by the [director of finance who] board of regents, which shall also be responsible for investing the principal and income deposited therein, [in accordance with the provisions of chapters 36 and 38 or, at the director’s discretion, in the same manner as the trustees of the employees retirement system of the State are permitted to invest the funds in their custody and control under sections 88-119, 88-119.5, 88-121, and 88-121.5. The director may pay a reasonable amount to any person for servicing and handling mortgages which the director may purchase or for supplying investment advisory or consultative services, and to meet other costs incident to the prudent investment of the special fund.]

(c) Scholarship, stipend, and mandatory fee awards for the University of Hawaii, funded by sums from the Hawaii opportunity program in education endowment special fund, shall be made beginning in the fiscal year [2001] 1998, in accordance with rules adopted by the board of regents pursuant to chapter 91. The rules shall include criteria for determining under-representation of particular groups in the student population of the university and financial need. Scholarship, stipend, and mandatory fee awards shall be made from appropriations or authorizations from the Hawaii opportunity program in education endowment special fund, and only earnings from the investment of principal and income on deposit in the endowment special fund received after [June 30, 2000] June 30, 1997, shall be available for such appropriations or authorizations. The total sum appropriated or authorized for scholarship, stipend, and mandatory fee awards in any fiscal year shall not exceed ten per cent of the amount deposited in the endowment special fund on [June 30, 2000] June 30, 1997, and in no event shall the total sum appropriated or authorized out of the special fund for scholarship awards in any fiscal year cause the amount deposited in the Hawaii opportunity program in education endowment special fund to be less than the amount on deposit in the special fund on [June 30, 2000] June 30, 1997.

(d) Notwithstanding any law to the contrary, revenues derived from private organizations and individuals may be received by the Hawaii opportunity program in education endowment special fund and may be managed and invested pursuant to this section.”

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SECTION 4. Section 304-16.5(c), Hawaii Revised Statutes, is amended to read as follows:

“(c) The board of regents, or its designated representatives, is authorized to grant, modify, or suspend tuition waivers. The board of regents shall provide a report and make recommendations as appropriate to the legislature on all tuition waivers no later than twenty days prior to the convening of each regular session. The report shall include, but not be limited to, the number of tuition waivers and scholarships, stipends, and mandatory fees granted to financially needy students from ethnic groups that are under-represented in the student population of the University of Hawaii through the Hawaii opportunity in education endowment special fund.”

SECTION 5. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 1997.

(Approved June 16, 1997.)