

ACT 244

H.B. NO. 2961

A Bill for an Act Relating to Education.

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

SECTION 1. The legislature finds that the department of education federal revenue maximization program was established to develop a claiming process for all medicaid-eligible health services that it provides to Hawaii's school-aged children.

The legislature also finds that current moneys generated from the department of education revenue maximization program are deposited into the general fund. However, the deposit of generated revenue into the general fund does not guarantee the moneys would be dedicated to the school-based claiming program. Thus, a revolving fund for the department of education federal revenue maximization program should be established to provide a clear nexus between the revenue generated from the school-based claiming program and the provision of those services.

Accordingly, the purpose of this Act is to create a revolving fund for the collection and disbursement of generated revenue to support the administration and operations of the department of education federal revenue maximization program.

SECTION 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§302A- Department of education federal revenue maximization program revolving fund; established. (a) There is established in the state treasury the department of education federal revenue maximization program revolving fund to be administered by the department. Moneys from the revolving fund shall be expended by the department for medicaid-eligible services provided by the department and administrative costs related to the department of education federal revenue maximization program.

(b) The department of education federal revenue maximization program revolving fund shall consist of:

- (1) Federal revenue collected by the department for administering and operating the department of education federal revenue maximization program;
- (2) Legislative appropriations;
- (3) All interest earned on the deposit or investment of moneys in the department of education federal revenue maximization program revolving fund; and
- (4) Any other moneys made available to the department of education federal revenue maximization program revolving fund from other sources.”

SECTION 3. Section 29-24, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established in the state treasury an interagency federal revenue maximization revolving fund into which shall be deposited all funds and proceeds collected from the federal government and third-party payors for costs not previously claimed by the State, with the exception of proceeds collected for services provided by the Hawaii health systems corporation, for reimbursement ~~[by]~~ of federally-funded state programs. For purposes of this chapter, federally-funded state programs include but shall not be limited to those federally-funded programs within the departments of human services~~[-education-]~~ and health~~[-]~~, and shall not include the federally-funded program within the department of education as provided in 302A-. Expenditures and transfers from the fund shall be made by the comptroller in proportional allocations established by the comptroller and the director of finance. Transfers shall be made to the department claiming the reimbursement for expenses incurred related to federal fund reimbursement claims and to the general fund of the State. Moneys in the fund may be expended for consultant services rendered under subsection (b).”

SECTION 4. There is appropriated out of the department of education federal revenue maximization program revolving fund the sum of \$2,000,000 or so much thereof as may be necessary for fiscal year 2006-2007 for medicaid-eligible services provided by the department of education and administrative costs related to the department of education federal revenue maximization program.

The sum appropriated shall be expended by the department of education for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 6. This Act shall take effect on July 1, 2006.

(Approved June 28, 2006.)

Note

1. Edited pursuant to HRS §23G-16.5.