

**ACT 105**

**H.B. NO. 1854**

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 existing state law does not allow the use of food distribution program revolving funds for consultant or personal

services, travel expenses, and the purchase of furniture, equipment, computer hardware, or office supplies. The legislature finds that these uses may be allowed under 7 Code of Federal Regulations Section 250.15, which includes program-related expenses as allowable costs for which recipient agencies may be required to pay in full or in part. These program-related expenses are “administrative costs such as fringe benefits, travel expenses, rent, utilities, accounting/auditing services, computer services, and the costs of providing program services to recipient agencies such as the cost for administering and monitoring the State’s processing program, and technical assistance workshops.” The legislature finds that current state law is unnecessarily restrictive and places a financial strain on the department of education’s funds.

The purpose of this Act is to remove unnecessary restrictions on the use of food distribution program revolving funds and allow the use of the funds to support the administration and operation of the food distribution program pursuant to 7 Code of Federal Regulations Section 250.15.

SECTION 2. Section 302A-1315, Hawaii Revised Statutes, is amended to read as follows:

~~“[§302A-1315]~~ **Food distribution program revolving fund.** (a) There is established the food distribution program revolving fund to be administered by the department.

(b) The food distribution program revolving fund shall consist of:

- (1) Administrative fees collected by the department for administering and operating the food distribution program;
- (2) All interest earned on the deposit or investment of moneys in the food distribution program revolving fund; and
- (3) Any other moneys made available to the food distribution program revolving fund from other sources.

(c) The food distribution program revolving fund shall be used by the department for the collection and disbursement of generated revenue to support the administration and operation of the food distribution program pursuant to 7 Code of Federal Regulations Section 250.15.

(d) The balance in the food distribution program revolving fund shall not exceed \$2,000,000 to pay for services rendered by state-contracted warehouses for the distribution of federal commodity foods to the recipient agencies. Any moneys remaining in the revolving fund in excess of \$2,000,000 at the end of each fiscal year shall lapse to the credit of the general fund.

~~[(e) The food distribution program revolving fund shall not be used for:~~

- ~~(1) Consultant or personal services rendered;~~
- ~~(2) Travel expenses that may include conference registration, per diem, or airfare costs; or~~
- ~~(3) The purchase of furniture, equipment, computer hardware, or office supplies.]”~~

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect on July 1, 2010.

(Approved May 13, 2010.)