

ACT 106

S.B. NO. 160

A Bill for an Act Relating to University of Hawaii Non-General Funds.

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

PART I

SECTION 1. Chapter 304A, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“§304A- University of Hawaii quasi-endowment trust fund. There is established the University of Hawaii quasi-endowment trust fund into which shall be deposited income derived from the university’s endowment fund. Income deposited into this account may be expended by the university as set forth by the board of regents in policies and guidelines for costs and expenses associated with student financial aid programs, including scholarships and student support services, awards, and project opportunities for the university.”

PART II

SECTION 2. The purpose of this part is to reclassify the Hawaii educator loan program special fund as a revolving fund.

SECTION 3. Section 304A-701, Hawaii Revised Statutes, is amended by amending subsection (g) to read as follows:

“(g) In accordance with chapter 103D, the university may enter into written contracts with collection agencies for the purpose of collecting delinquent loans. All payments collected, exclusive of a collection agency’s commissions, shall revert, and be credited, to the Hawaii educator loan program ~~[special]~~ revolving fund. A collection agency that enters into a written contract with the university for the collection of delinquent loans pursuant to this section may collect a commission from the debtor in accordance with the terms of, and up to the amounts authorized in, the written contract.”

SECTION 4. Section 304A-703, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-703]]~~ Capacity of minors in qualifying for Hawaii educator loans. Any student otherwise qualifying for a loan under the Hawaii educator loan program ~~[special]~~ revolving fund shall not be disqualified because the student is under the age of eighteen years, and for the purpose of applying for, receiving, and repaying the loan, any such person shall be deemed to have full

legal capacity to act and shall have all rights, powers, privileges, and obligations of an adult with respect thereto.”

SECTION 5. Section 304A-704, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-704]]~~ **Rules governing Hawaii educator loan program [special] revolving fund.** The university may adopt rules to implement the Hawaii educator loan program. The rules shall be adopted pursuant to chapter 91 but shall be exempt from the public notice and public hearing requirements.”

SECTION 6. Section 304A-2161, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-2161]]~~ **Hawaii educator loan program [special] revolving fund.** There is established the Hawaii educator loan program [special] revolving fund, for the purpose of providing loans pursuant to section ~~[[304A-701]]~~. ~~[The following may be deposited into the special fund: appropriations]~~ **Appropriations** made by the legislature, private contributions, repayment of loans, including interest and payments received on account of principal, and moneys from other sources~~]; provided that:~~

- ~~(1) Moneys on balance in the special fund at the close of each fiscal year shall remain in that fund and shall not lapse to the credit of the general fund; and~~
- ~~(2) shall be deposited into the revolving fund and shall be expended by the University.~~ An amount from the [special] revolving fund not exceeding five per cent of the total amount of outstanding loans may be set by the university to be used for administrative expenses incurred in administering the [special] revolving fund.”

PART III

SECTION 7. The purpose of this part is to repeal the Hawaii medical education special fund.

The legislature finds that the fund no longer serves the purpose for which it was created, does not meet the criteria for a special fund, and should be repealed.

SECTION 8. Section 304A-1702, Hawaii Revised Statutes, is amended by amending subsections (b), (c), and (d) to read as follows:

~~“[(b) The program shall be funded with moneys received for graduate medical education and deposited into the Hawaii medical education special fund established under section [304A-2164].~~

~~(e)] (b) All funding for the graduate medical education program shall be nonlapsing.~~

~~(c)] (c) Program moneys shall only be expended if:~~

- ~~(1) Approved by the medical education council; and~~
- ~~(2) Used for graduate medical education in accordance with sections [[304A-1704]] and [[304A-1705]].”~~

SECTION 9. Section 304A-2164, Hawaii Revised Statutes, is repealed.

PART IV

SECTION 10. The purpose of this part is to repeal the discoveries and inventions special fund.

The legislature finds that the fund does not meet the criteria for a special fund and should be repealed.

SECTION 11. Section 304A-2253, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Notwithstanding [~~sections~~] section 304A-107 [~~and 304A-2174~~] to the contrary, the board of regents, or its designee, may establish a separate account within the research and training revolving fund for the purpose of providing advance funding to meet reimbursable costs incurred in connection with federally financed research and training projects. Any reimbursement received as a result of providing advance funding shall be deposited into the research and training revolving fund to be used for the purpose of meeting reimbursable costs incurred in connection with federally financed projects.”

SECTION 12. Section 304A-2174, Hawaii Revised Statutes, is repealed.

PART V

SECTION 13. The purpose of this part is to repeal the University of Hawaii alumni special fund.

The legislature finds that the fund no longer serves the purpose for which it was created and should be repealed.

SECTION 14. Section 304A-2175, Hawaii Revised Statutes, is repealed.

PART VI

SECTION 15. The purpose of this part is to repeal the animal research farm, Waialeale, Oahu special fund.

The legislature finds that the fund no longer serves its original purpose, does not meet the criteria for a special fund, and should be repealed.

SECTION 16. Section 304A-2177, Hawaii Revised Statutes, is repealed.

PART VII

SECTION 17. The purpose of this part is to reclassify the professional student exchange program special fund as a revolving fund.

SECTION 18. Section 304A-2179, Hawaii Revised Statutes, is amended to read as follows:

“~~[[§304A-2179]]~~ **Professional student exchange program [special] revolving fund.** (a) There is established a professional student exchange program [~~special~~] revolving fund to be administered and expended by the Hawaii commission.

(b) The following moneys shall be deposited into the [~~special~~] revolving fund:

- (1) Principal and interest payments received as repayment of financial support from former or current participants of the professional student exchange program, pursuant to section 304A-3209; and

- (2) Interest earned or accrued on moneys in the [special] revolving fund.
- (c) Moneys in the [special] revolving fund shall be expended to:
- (1) Support the professional student exchange program's activities, including the provision of financial support to participants at Western Interstate Commission for Higher Education receiver institutions; and
- (2) Enforce the collection of delinquent obligations."

PART VIII

SECTION 19. The purpose of this part is to repeal the career and technical training projects revolving fund for the University of Hawaii at Hilo. The legislature finds that the revolving fund is not necessary.

SECTION 20. Section 304A-2268, Hawaii Revised Statutes, is repealed.

PART IX

SECTION 21. The purpose of this part is to repeal the Senator Hiram L. Fong scholarship program endowment trust fund.

The legislature finds that the fund does not serve the purpose for which it was created and should be repealed.

SECTION 22. Section 304A-2353, Hawaii Revised Statutes, is repealed.

PART X

SECTION 23. The purpose of this part is to repeal the Senator Oren E. Long scholarship program endowment trust.

The legislature finds that the fund does not serve the purpose for which it was created and should be repealed.

SECTION 24. Section 304A-2354, Hawaii Revised Statutes, is repealed.

PART XI

SECTION 25. The purpose of this part is to repeal the Hawaii health corps revolving fund.

The legislature finds that the fund is inactive and should be repealed.

SECTION 26. Section 309H-6, Hawaii Revised Statutes, is repealed.

PART XII

SECTION 27. The following funds are abolished:

- (1) The hurricane Iniki insurance proceeds special fund administratively established in 1993 and administered by the University of Hawaii;
- (2) The agency fund trust account administratively established prior to July 1985 and administered by the University of Hawaii; and
- (3) The University of Hawaii Okinawa program trust fund administratively established in 1968 and administered by the University of Hawaii,

and any unencumbered balances remaining shall lapse to the credit of the general fund.

PART XIII

SECTION 28. On July 1, 2015, all unencumbered balances remaining in the accounts and funds repealed by this Act shall lapse to the credit of the general fund.

PART XIV

SECTION 29. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.¹

SECTION 30. This Act shall take effect on July 1, 2015.
(Approved June 12, 2015.)

Note

1. Edited pursuant to HRS §23G-16.5.