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# A BILL FOR AN ACT

RELATING TO UNIVERSITY OF HAWAII NON-GENERAL FUNDS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 PART I

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

5 "§304A- University of Hawaii quasi-endowment trust fund.

6 There is established the University of Hawaii quasi-endowment  
7 trust fund into which shall be deposited income derived from the  
8 university's endowment fund. Income deposited into this account  
9 may be expended by the university as set forth by the board of  
10 regents in policies and guidelines for costs and expenses  
11 associated with student financial aid programs, including  
12 scholarships and student support services, awards, and project  
13 opportunities for the university."

14 PART II

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

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



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

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

13           "~~[+]~~ §304A-703 ~~[+]~~ **Capacity of minors in qualifying for**  
14 **Hawaii educator loans.** Any student otherwise qualifying for a  
15 loan under the Hawaii educator loan program [~~special~~] revolving  
16 fund shall not be disqualified because the student is under the  
17 age of eighteen years, and for the purpose of applying for,  
18 receiving, and repaying the loan, any such person shall be  
19 deemed to have full legal capacity to act and shall have all  
20 rights, powers, privileges, and obligations of an adult with  
21 respect thereto."



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

3 "[+]§304A-704[+] Rules governing Hawaii educator loan  
4 program [~~special~~] revolving fund. The university may adopt  
5 rules to implement the Hawaii educator loan program. The rules  
6 shall be adopted pursuant to chapter 91 but shall be exempt from  
7 the public notice and public hearing requirements."

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

10 "[+]§304A-2161[+] Hawaii educator loan program [~~special~~]  
11 revolving fund. There is established the Hawaii educator loan  
12 program [~~special~~] revolving fund, for the purpose of providing  
13 loans pursuant to section [+]304A-701[+]. [~~The following may be~~  
14 ~~deposited into the special fund: appropriations~~] Appropriations  
15 made by the legislature, private contributions, repayment of  
16 loans, including interest and payments received on account of  
17 principal, and moneys from other sources[; ~~provided that:~~

- 18 (1) ~~Moneys on balance in the special fund at the close of~~
- 19 ~~each fiscal year shall remain in that fund and shall~~
- 20 ~~not lapse to the credit of the general fund; and~~



1        ~~(2)~~] shall be deposited into the revolving fund and shall  
2                    be expended by the University. An amount from the  
3                    ~~[special]~~ revolving fund not exceeding five per cent  
4                    of the total amount of outstanding loans may be set by  
5                    the university to be used for administrative expenses  
6                    incurred in administering the ~~[special]~~ revolving  
7                    fund."

PART III

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

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

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

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

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



1       ~~[(d)]~~ (c) Program moneys shall only be expended if:  
 2           (1) Approved by the medical education council; and  
 3           (2) Used for graduate medical education in accordance with  
 4           sections [†] 304A-1704 [†] and [†] 304A-1705 [†]."

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

7       ~~["§304A-2164] Hawaii medical education special fund.~~  
 8 ~~There is established a Hawaii medical education special fund,~~  
 9 ~~into which shall be deposited all funds received by the medical~~  
 10 ~~education council, including:~~  
 11       ~~(1) Moneys from the federal Centers for Medicaid and~~  
 12       ~~Medicare Services or other federal agencies;~~  
 13       ~~(2) State appropriations; and~~  
 14       ~~(3) Grants, contracts, donations, or private~~  
 15       ~~contributions.~~  
 16 ~~The fund shall be administered by the university. Moneys~~  
 17 ~~deposited in the fund shall be expended by the university for~~  
 18 ~~the purposes of the graduate medical education program~~  
 19 ~~established under section [304A-1702]."~~

20                   PART IV

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

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

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

7 "(c) Notwithstanding [~~sections~~] section 304A-107 [~~and~~  
8 ~~{304A-2174}~~] to the contrary, the board of regents, or its  
9 designee, may establish a separate account within the research  
10 and training revolving fund for the purpose of providing advance  
11 funding to meet reimbursable costs incurred in connection with  
12 federally financed research and training projects. Any  
13 reimbursement received as a result of providing advance funding  
14 shall be deposited into the research and training revolving fund  
15 to be used for the purpose of meeting reimbursable costs  
16 incurred in connection with federally financed projects."

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

19 [~~"{§304A-2174} Discoveries and inventions special fund.~~  
20 ~~There is established a discoveries and inventions special fund~~  
21 ~~into which shall be deposited a portion of the total indirect~~



1 ~~overhead funds generated by the university for research and~~  
2 ~~training purposes in the prior fiscal year, as determined by the~~  
3 ~~board of regents. Appropriations by the legislature subject to~~  
4 ~~the approval of the governor, proceeds from the commercial~~  
5 ~~exploitation of inventions and intellectual property developed~~  
6 ~~at the university, gifts, donations, fees collected, and grants~~  
7 ~~from public agencies and private persons may also be deposited~~  
8 ~~into the special fund for the purposes of supporting innovation~~  
9 ~~and research commercialization and the patenting, copyrighting,~~  
10 ~~licensing, and marketing of discoveries, inventions, and~~  
11 ~~technologies developed at the university. The special fund~~  
12 ~~shall be used to develop technologies that have potential~~  
13 ~~commercial value, support the administration of technology~~  
14 ~~transfer activities, and facilitate economic development through~~  
15 ~~education and research undertaken at the university." ]~~

16 PART V

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

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



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

3 ~~["~~§304A-2175~~ University of Hawaii alumni special fund.~~

4 ~~There is established the University of Hawaii alumni special~~  
5 ~~fund into which shall be deposited funds and proceeds received~~  
6 ~~by the university from alumni activities and donations from~~  
7 ~~alumni. Funds deposited into this special fund may be expended~~  
8 ~~by the university for all costs associated with conducting~~  
9 ~~alumni affairs, activities, and programs for the university~~  
10 ~~system, including but not limited to expenses for honoraria,~~  
11 ~~hotel and room rentals, food and refreshment, printing and~~  
12 ~~mailing, banners and signs, plaques and awards, airfare and per~~  
13 ~~diem, leis, rental of audiovisual, musical, and stage equipment,~~  
14 ~~and activity supplies and materials, without regard to statutory~~  
15 ~~competitive bidding requirements."]~~

16 PART VI

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

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





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

3 ~~["~~§304A-2177~~ Animal research farm, Waialeale, Oahu special~~  
4 ~~fund. There is established the animal research farm, Waialeale,~~  
5 ~~Oahu special fund for the animal research farm, Waialeale, Oahu,~~  
6 ~~operated by the college of tropical agriculture and human~~  
7 ~~resources of the University of Hawaii, into which shall be~~  
8 ~~deposited the receipts from fees realized from the sale of~~  
9 ~~livestock, services, and supplies. Funds deposited into this~~  
10 ~~special fund shall be expended for animal research, and services~~  
11 ~~and supplies related thereto."]~~

12 PART VII

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

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

18 "[+]§304A-2179[+] Professional student exchange program  
19 [~~special~~] revolving fund. (a) There is established a  
20 professional student exchange program [~~special~~] revolving fund  
21 to be administered and expended by the Hawaii commission.



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

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

7 (2) Interest earned or accrued on moneys in the [~~special~~]  
8 revolving fund.

9 (c) Moneys in the [~~special~~] revolving fund shall be  
10 expended to:

11 (1) Support the professional student exchange program's  
12 activities, including the provision of financial  
13 support to participants at Western Interstate  
14 Commission for Higher Education receiver institutions;  
15 and

16 (2) Enforce the collection of delinquent obligations."

17 PART VIII

18 SECTION 19. The purpose of this part is to repeal the  
19 career and technical training projects revolving fund for the  
20 University of Hawaii at Hilo.



1 The legislature finds that the revolving fund is not  
2 necessary.

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

5 ~~["§304A-2268] Career and technical training projects~~  
6 ~~revolving fund, University of Hawaii at Hilo. There is~~  
7 ~~established the career and technical training projects revolving~~  
8 ~~fund for the career and technical training projects of the~~  
9 ~~community colleges and the University of Hawaii at Hilo into~~  
10 ~~which shall be deposited the receipts from fees for services,~~  
11 ~~supplies, and use of equipment provided by or in connection with~~  
12 ~~these projects. Funds deposited in this account shall be~~  
13 ~~expended for vocational and technical training projects, and~~  
14 ~~supplies, equipment, and services related thereto."]~~

15 PART IX

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

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

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



1           ~~["§304A-2353] The Senator Hiram L. Fong scholarship~~  
2 ~~program, endowment trust. (a) There is established the Senator~~  
3 ~~Hiram L. Fong scholarship program to be administered by the~~  
4 ~~university with proceeds from an endowment trust that shall~~  
5 ~~receive its initial funding by an appropriation out of the~~  
6 ~~general revenues of the State. The program shall provide~~  
7 ~~financial support to students enrolled at any campus of the~~  
8 ~~university.~~

9           ~~(b) Awards shall be granted annually to one female student~~  
10 ~~and one male student who:~~

11           ~~(1) Are graduates of a public high school in the State;~~  
12           ~~(2) Are upperclassmen at the university;~~  
13           ~~(3) Submit winning essays to the board of regents on the~~  
14           ~~senator's contributions to Hawaii;~~  
15           ~~(4) Have a demonstrated commitment to local community~~  
16           ~~issues, as shown by volunteer work and participation~~  
17           ~~in community organizations; and~~

18           ~~(5) Have a demonstrated interest and knowledge of the~~  
19           ~~history of immigration to Hawaii.~~

20           ~~(c) The amount to be awarded to a student shall be~~  
21 ~~determined by the board of regents with due regard to the total~~



1 ~~amount of funds available for the program. The award that a~~  
2 ~~student receives under this program may be used to:~~

3 ~~(1) Pay for the costs of tuition and fees for a single~~  
4 ~~academic year;~~

5 ~~(2) Pay for the costs of textbooks and other instructional~~  
6 ~~materials for a single academic year;~~

7 ~~(3) Pay for the costs of room and board at a dormitory or~~  
8 ~~apartment maintained by the university for a single~~  
9 ~~academic year; or~~

10 ~~(4) Defray the difference between student need, as~~  
11 ~~determined by the Free Application for Federal Student~~  
12 ~~Aid, and the total cost of attendance for a single~~  
13 ~~academic year.~~

14 ~~(d) The board of regents shall adopt rules to implement~~  
15 ~~the Senator Hiram L. Fong scholarship program. The rules shall~~  
16 ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
17 ~~public notice and public hearing requirements.~~

18 ~~(e) The scholarship program shall be funded with proceeds~~  
19 ~~from an endowment trust established with initial funding by an~~  
20 ~~appropriation out of the general revenues of the State and shall~~



1 ~~be administered by the board of regents for the purposes of~~  
2 ~~supporting the Senator Hiram L. Fong scholarship program." ]~~

3 PART X

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

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

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

10 ~~["~~§304A-2354~~ The Senator Oren E. Long scholarship~~  
11 ~~program; endowment trust. (a) There is established the Senator~~  
12 ~~Oren E. Long scholarship program to be administered by the~~  
13 ~~university with proceeds from an endowment trust that shall~~  
14 ~~receive its initial funding by an appropriation out of the~~  
15 ~~general revenues of the State. The program shall provide~~  
16 ~~financial support to students enrolled at any campus of the~~  
17 ~~university.~~

18 ~~(b) Awards shall be granted annually to one female student~~  
19 ~~and one male student who:~~

- 20 ~~(1) Are graduates of a public high school in the State;~~  
21 ~~(2) Are upperclassmen at the university; and~~



1       ~~(3) Submit winning essays to the board of regents on the~~  
2           ~~senator's contributions to Hawaii.~~

3       ~~(c) The amount to be awarded to a student shall be~~  
4 ~~determined by the board of regents with due regard to the total~~  
5 ~~amount of funds available for the program. The award that a~~  
6 ~~student receives under this program may be used to:~~

7       ~~(1) Pay for the costs of tuition and fees for a single~~  
8           ~~academic year;~~

9       ~~(2) Pay for the costs of textbooks and other instructional~~  
10           ~~materials for a single academic year;~~

11       ~~(3) Pay for the costs of room and board at a dormitory or~~  
12           ~~apartment maintained by the university for a single~~  
13           ~~academic year; or~~

14       ~~(4) Defray the difference between student need, as~~  
15           ~~determined by the Free Application for Federal Student~~  
16           ~~Aid, and the total cost of attendance for a single~~  
17           ~~academic year.~~

18       ~~(d) The board of regents shall adopt rules to implement~~  
19 ~~the Senator Oren E. Long scholarship program. The rules shall~~  
20 ~~be adopted pursuant to chapter 91 but shall be exempt from the~~  
21 ~~public notice and public hearing requirements.~~



1       ~~(c) The scholarship program shall be funded with proceeds~~  
2       ~~from an endowment trust established with initial funding by an~~  
3       ~~appropriation out of the general revenues of the State and shall~~  
4       ~~be administered by the board of regents for the purposes of~~  
5       ~~supporting the Senator Oren E. Long scholarship program."]~~

6   PART XI

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

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

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

13          ~~["§309H-6] Hawaii health corps revolving fund. (a)~~  
14       ~~There is established in the treasury of the State the Hawaii~~  
15       ~~health corps revolving fund, which shall be administered by the~~  
16       ~~University of Hawaii John A. Burns school of medicine and the~~  
17       ~~University of Hawaii at Manoa school of nursing and dental~~  
18       ~~hygiene, and into which shall be deposited:~~

19           ~~(1) Any funds appropriated by the legislature for the~~  
20           ~~Hawaii rural health care provider loan repayment~~  
21           ~~program;~~





- 1 ~~(2) Gifts, donations, and grants from public agencies and~~
- 2 ~~private persons;~~
- 3 ~~(3) Reimbursements of loan repayments under the Hawaii~~
- 4 ~~rural health care provider loan repayment program;~~
- 5 ~~(4) Proceeds of the operations of the Hawaii health corps~~
- 6 ~~program; and~~
- 7 ~~(5) Interest earned or accrued on moneys deposited into~~
- 8 ~~the fund.~~

9 ~~(b) The University of Hawaii John A. Burns school of~~  
10 ~~medicine and the University of Hawaii at Manoa school of nursing~~  
11 ~~and dental hygiene may expend moneys from the fund for the~~  
12 ~~purposes of this chapter, including the operational expenses of~~  
13 ~~the Hawaii health corps program." ]~~

PART XII

SECTION 27. The following funds are abolished:

- 16 (1) The hurricane Iniki insurance proceeds special fund
- 17 administratively established in 1993 and administered
- 18 by the University of Hawaii;
- 19 (2) The agency fund trust account administratively
- 20 established prior to July 1985 and administered by the
- 21 University of Hawaii; and



1 (3) The University of Hawaii Okinawa program trust fund  
2 administratively established in 1968 and administered  
3 by the University of Hawaii,  
4 and any unencumbered balances remaining shall lapse to the  
5 credit of the general fund.

6 PART XIII

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

10 PART XIV

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

13 SECTION 30. This Act shall take effect on July 1, 2015.



**Report Title:**

University of Hawaii; Establishment of Trust Fund; Non-General Funds; Repeal; Transfer of Balances

**Description:**

Establishes the University of Hawaii Quasi-endowment Trust Fund. Repeals various non-general funds and accounts and transfers the unencumbered balances to the general fund. Reclassifies certain special funds as revolving funds. (CD1)

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