



LATE

STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

February 7, 2008

MEMORANDUM

TO: The Honorable Suzanne Chun Oakland, Chair
Senate Committee on Human Services and Public Housing

FROM: Lillian B. Koller, Director

SUBJECT: **S.B. 2317 - RELATING TO YOUTH PROGRAMS**

Hearing: Thursday, February 7, 2008; 01:15 p.m.
Conference Room 016, State Capitol

PURPOSE: The purpose of S.B. 2317 is to appropriate Temporary Assistance for Needy Families (TANF) funds for the Palolo At-Risk Youth Outreach Program.

DEPARTMENT'S POSITION: The Department of Human Services (DHS) cannot support this bill as written.

The Department has been advised by the Administration for Children and Families, U.S. Department of Health and Human Services, that with respect to their sources of Federal funds, including but not limited to TANF block grant, Federal funds cannot be expended by way of a grant-in-aid appropriation to a named provider agency or recipient because a grant-in-aid is expressly excluded by State law from competitive procurement. Grants-in-aid are a direct appropriation to the named agency, subject to chapter 42F, Hawaii Revised Statutes. Federal law requires that Federal funds be expended pursuant to either Federal procurement law or State procurement law.

As an alternative, the Legislature could implement the strategy used in Section 200 of Act 213, SLH 2007.

Thank you for the opportunity to provide comments on this bill.