



TO: Chair Roz Baker  
Vice Chair Shan Tsutsui  
Members of the Committee on Ways & Means

FR: Nanci Kreidman, M.A.  
Executive Director

RE: S.B. 2615

Aloha. Our agency will submit a grant in aid today. We follow a very thoughtful and thorough process for making the decision and taking the step to submit such an application for consideration.

I was pleased when I read S.B. 2615, because what is prescribed and expected is exactly what we do. I daresay that is true for the vast majority of agencies that make requests to the legislature for funding support to carry out their crucial work in the community.

The reaction and rush to fix, change, alter, adjust or scrap the grant in aid process is just that. A reaction.

It strikes me that the legislature is acting to compensate for a perception that was exaggerated in the Honolulu Advertiser series and does not comport with the way most not for profit small corporations do business. We conduct an audit every year, completed by a reputable accounting firm, and submit reports to every funding source that provides financial support to us. We track and document our work with every client, caller, participant in training, and donor.

The idea that more government oversight is necessary strikes me as ludicrous. If government agencies would like more information or better documentation of services or program activities, that can be requested or modified every time the contract is negotiated. The Domestic Violence Action Center currently submits quarterly reports to The Hawaii State Judiciary, the Department of Health, The Department of Human Services, the City and County of Honolulu, the Department of Justice, and the Indigent legal Assistance Fund. We also submit reports to every private foundation and company that awards funds for program services or agency activities.

I am not sure the legislature wants or needs this kind of reporting. Policy making work is difficult enough. The examination and assessment of programs is better left to government agencies and program specialists who are professionals in delivering services.

Thank you for inviting comment today.

# PHOCUSED

## Protecting Hawaii's Ohana, Children, Under Served, Elderly and Disabled

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January 30, 2008

TO: Senator Roz Baker, Chair

And members of the Senate Ways and Means Committee

FROM: Joanne Lundstrom, Chair

PHOCUSED (Protecting Hawaii's Ohana, Children Under-served, Elderly and Disabled)

RE: SB 2615 Relating to Grants and Subsidies

SB 2951 Relating to Grants-in-Aid

In uncertain financial times, there is a need to remember the most vulnerable people in Hawaii. Whenever there is a downturn in the economy and an upturn in unemployment, the citizens at the lowest economic levels of the community are most impacted. Often, as federal and state dollars contract, cuts are made to health and human service programs with a resulting devastating impact on our poor, disabled, and vulnerable citizens. We have all seen this happen before.

A new group of concerned citizens and organizations has formed called **PHOCUSED** (Protecting Hawaii's Ohana, Children, Under-served Elderly and Disabled). The mission of this group is to be a strong voice for the people in need of health and human services.

**PHOCUSED** is committed to:

- *empowering citizens* to advocate for health and human services
- being a *strong voice* for health and human services
- *working collaboratively* with private and public agencies to provide health and human services in Hawai'i
- developing an *effective system* to address the health and human services needs of our state
- advocating for continued *investment* in health and human services to address the social and health needs of the people of Hawaii

**PHOCUSED** wants to work collaboratively with others but remain focused on the needs of the most needy in the community. While **PHOCUSED** is in a formative stage, several members agree it would be a good idea to make some comments on SB 2615 and SB 2951. The Grant-in-Aid process is an important mechanism to support the activities of many worthy groups in the community.

It is our understanding that the GIA process was designed to be more flexible than the traditional procurement process; it could provide funds to new organizations in Hawai'i for a limited amount of time. The process was intended to be responsive to community needs that legislators knew about and wanted to support. Some have questioned how the actual purpose of the GIA process is different from the regular purchase of service procurement system which is based on a community-wide needs assessment process and only funds credible organizations providing needed service through competitive government contracts.

We support the move towards a clearer understanding of the purpose of the GIA system as well as improved transparency about how the process works and how decisions are made. It may be more beneficial to have a clearer understanding of the criteria around which the GIA funds are dispersed.

**PHOCUSED**, would be pleased to assist the Legislature in providing information that might help in assessing the competing needs in the community. For example:

- The scope and severity of the problem (or unmet need)
- The level of vulnerability of the individuals or groups in need
- Other programs and services that are already being provided and designed to combat this problem for this group
- Other ways (other than a GIA) to fund the service or solve the problem
- Any evidence that the approach being offered has worked here
- An analysis of whether this is the most efficient and effective expenditure
- Research on past efforts and whether it has worked
- Whether this can be funded with a POS contract

We support a GIA and subsidies program that is transparent, based on pre-established and shared criteria, is designed to meet the needs of the most vulnerable in the community and is annually monitored and evaluated to insure that the scarce dollars are being directed to meet the needs more efficiently and effectively.

**PHOCUSED** looks forward to participating in this discussion and appreciates the Senate's leadership in improving the GIA process this year. SB 2615 and SB 2951 begin to make this process more open by providing for transparency and public participation in the selection process. We are prepared to participate in future discussions to improve the GIA process.

Thank you for this opportunity to provide these comments.