

Date: 04/01/2009

Committee: House Finance

Department: Education

Person Testifying: Patricia Hamamoto, Superintendent of Education

Title of Bill: SB 0164 (HSCR1123) RELATING TO THE FEDERAL GRANTS SEARCH, DEVELOPMENT, AND APPLICATION REVOLVING FUND.

Purpose of Bill: Expands the allowable use of the federal grants search, development, and application revolving fund to include monitoring and auditing. Changes the name of the fund to reflect the new allowable uses.

Department's Position: The Department of Education strongly supports this measure. This is a "housekeeping" item, and is not requiring any new appropriations. The current statute, HRS Section 302A-1405, restricts the use of the revolving fund such that it can be only used for "search, development and application" of federal grants. The proposed language expands the use of these funds to not only the obtaining of additional federal grants, but also to support the monitoring of grant execution; ensuring compliance with grant requirements; and auditing of grant expenditures.

The Department has already hired a grant writer, and is hiring a grant coordinator to assist schools with searching, writing and applying for federal grants.

However, with over \$200 million in annual expenditures of current federal grants in the Department of Education, there are significant needs in the areas of monitoring of grant execution; ensuring compliance with grant requirements; and auditing of grant expenditures.

The Department has established a Federal compliance office, reporting to the Superintendent. Availability of support from this revolving fund will

enable the Federal compliance office with a means to implement greater oversight on the implementation of Federal grants.

Attached for your information is a list of federal grants available to the DOE.

Thank you for this opportunity to provide testimony.

Department: cation
List of Federal . Ceilings
FY 2008-09 through FY 2010-11

| EDN | B&F Org Cd | Level V Program Title | BPC | FB 09-11 Prog ID | Example Program ID Title | FY 2009 Appropriation Ceiling | Requested FY 2010 Appropriation Ceiling | Requested FY 2011 Appropriation Ceiling | Note |
|----------|------------------|----------------------------------|------------|---------------------|---|-------------------------------------|--|--|------------------|
| 100 | AB | Regular Instruction | 1001010100 | 15922 | Impact Aid - Regular Instruction | 40,330,846 | 40,440,343 | 40,440,343 | |
| 100 | BB | Vocational-Technical Education | 1002010600 | 15764 | Voc Ed - Program Improvement | 3,500,000 | 3,500,000 | 3,500,000 | |
| 100 | BR | Driver Education | 1002170000 | 16363 | Highway Safety Act | 200,000 | - | - | Expires 09-30-08 |
| 100 | CN | Employee Benefits | 1002380100 | 23050 | Workers Compensation - Non General Fund | 500,000 | 500,000 | 500,000 | |
| 100 | CN | Employee Benefits | 1002380200 | 23051 | Unemployment Insurance-Non General Fund | 500,000 | 1,500,000 | 1,500,000 | |
| Subtotal | | | | | | 1,000,000 | 2,000,000 | 2,000,000 | |
| 100 | DB | No Child Left Behind | 1003250100 | 18902 | NCLB - Title I LEA Grant - Schools | 79,000,000 | 79,000,000 | 79,000,000 | |
| 100 | DB | No Child Left Behind | 1003251801 | 18070 | NCLB - FIE Earmark Middle School Leadership | - | 478,492 | 478,492 | |
| 100 | DB | No Child Left Behind | 1003252500 | 18058 | NCLB - Reading First | 3,250,000 | - | - | Expired |
| 100 | DB | No Child Left Behind | 1003252900 | 18605 | NCLB - Even Start Program | 2,000,000 | 2,000,000 | 2,000,000 | |
| 100 | DB | No Child Left Behind | 1003253300 | 17790 | NCLB - Migrant Education | 745,036 | 900,000 | 900,000 | |
| 100 | DB | No Child Left Behind | 1003253700 | 20640 | NCLB - Neg & Delinquent | 450,000 | 450,000 | 450,000 | |
| 100 | DB | No Child Left Behind | 1003254100 | 13078 | NCLB - Comprehensive Sch Reform Demo - Title I | 1,000,000 | - | - | Expired 06-30-06 |
| 100 | DB | No Child Left Behind | 1003254500 | 18053 | NCLB - State Improvement Grants - Title II Part A (HQT | 15,000,000 | 15,000,000 | 15,000,000 | |
| 100 | DB | No Child Left Behind | 1003254900 | 18052 | NCLB - Ed Tech | 3,304,308 | 1,500,000 | 1,500,000 | |
| 100 | DB | No Child Left Behind | 1003255000 | 16150 | NCLB - Math & Science Partnership | 1,500,000 | 1,100,000 | 1,100,000 | |
| 100 | DB | No Child Left Behind | 1003255300 | 18056 | NCLB - ESSL Acqulsition | 2,311,000 | 2,800,000 | 2,900,000 | |
| 100 | DB | No Child Left Behind | 1003255700 | 18470 | NCLB - Safe & Drug Free Schools & Com | 1,846,292 | - | - | Expired |
| 100 | DB | No Child Left Behind | 1003256100 | 18423 | NCLB - SDFCS Community Services | 250,000 | - | - | Expired |
| 100 | DB | No Child Left Behind | 1003256500 | 18050 | NCLB - 21st CCLC Formula | 7,000,000 | 7,000,000 | 7,000,000 | |
| 100 | DB | No Child Left Behind | 1003256900 | 18051 | NCLB - Innovative Ed Program Strategies | 1,229,604 | - | - | Expired |
| 100 | DB | No Child Left Behind | 1003257300 | 18057 | NCLB - Administration | 66,456 | - | - | |
| 100 | DB | No Child Left Behind | 1003257700 | 18055 | NCLB - Assessment | 4,000,000 | 4,000,000 | 4,000,000 | |
| 100 | DB | No Child Left Behind | 1003257900 | 18061 | NCLB - Supplemental School Improvement | - | 3,000,000 | 3,000,000 | |
| Subtotal | | | | | | 122,952,696 | 117,228,492 | 117,328,492 | |
| 100 | DE | Comprehensive School Health Prgm | 1003040000 | 19007 | DHHS - Coordinated School Health Prog | 700,000 | 300,000 | 300,000 | |
| 100 | DH | Education of Native Hawaiians | 1003270000 | 52046 | Education Of Native Hawaiians | 300,000 | 300,000 | 300,000 | |
| 100 | DQ | Student Scholarships | 1003160100 | 27487 | R.C. Byrd Honors Scholarships FY09 | 163,000 | 160,000 | 160,000 | |
| 100 | DQ | Student Scholarships | 1003160200 | 13091 | Advanced Placement Fee Payment Program FY08 | 50,000 | 50,000 | 50,000 | |
| Subtotal | | | | | | 213,000 | 210,000 | 210,000 | |

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|------------------|------------------|--------------------------------------|------------|---------------------|--|-------------------------------------|--|--|------------------|
| 100 | DR | Department of Defense | 1003170300 | 19023 | Department of Defense (DOD) | 2,500,000 | 2,500,000 | 2,500,000 | |
| 100 | DS | Learn and Serve America | 1003180000 | 13110 | CNCS - Learn And Serve Hawaii | 63,656 | 63,656 | 63,656 | |
| 100 | DU | Foreign Languages Assistance | 1003200400 | 13115 | Honolulu C.A.L.L. | - | 206,607 | 206,607 | |
| 100 | DL | Other Discretionary Grants | 1003310100 | 18950 | Carol M White PE Program - McKinley Complex | - | 351,178 | 351,178 | |
| 100 | DL | Other Discretionary Grants | 1003310200 | 18951 | Carol M White PE Program - Moanalua | - | 67,305 | 67,305 | |
| 100 | DL | Other Discretionary Grants | 1003310300 | 17970 | Teaching American History Grant | - | 999,404 | 999,404 | |
| 100 | DL | Other Discretionary Grants | 1003310400 | 17972 | Pinnacle of Success Grant | - | 3,158,279 | 3,158,279 | |
| Subtotal | | | | | | - | 4,576,166 | 4,576,166 | |
| 100 Total | | | | | | 171,760,198 | 171,325,264 | 171,425,264 | |
| 150 | FA | Special Education in Regular Schools | 1501010100 | 17901 | Impact Aid - Special Education | 5,107,742 | 4,998,245 | 4,998,245 | |
| 150 | NB | Special Education for the Disabled | 1504020100 | 17929 | Title VIB Special Education | 41,917,426 | 40,177,387 | 40,177,387 | |
| 150 | NB | Special Education for the Disabled | 1504020200 | 25946 | Education Of The Disabled - Admin | 75,588 | 92,500 | 92,500 | |
| Subtotal | | | | | | 41,993,014 | 40,269,887 | 40,269,887 | |
| 150 | ND | Preschool for the Disabled | 1504040000 | 17040 | Special Ed Pre-School Grant | 1,200,000 | 978,634 | 978,634 | |
| 150 | NG | SPED - State Improvement Grant | 1504070000 | 17981 | SPED - State Prog Improvement | 750,000 | - | - | Expires 09-30-09 |
| 150 Total | | | | | | 49,050,756 | 46,246,766 | 46,246,766 | |
| 200 | GC | Instructional Services Branch | 2003021000 | 25497 | Ed For Homeless Children & Youth - Sch Level | 300,000 | 500,000 | 500,000 | |
| 200 | GJ | Leadership Development | 2003090500 | 25480 | School Leadership Program | 265,461 | 265,461 | - | |
| 200 | GM | Technology Education | 2003120400 | 61300 | Haw Networked Lmg Communities NSF | 1,300,000 | - | - | Expired |
| 200 | GP | Systems Accountability | 2003150500 | 17966 | NAEP State Coordinator | 161,000 | 161,000 | 161,000 | |
| 200 | - | | | 25024 | Team Nutrition Training | - | - | - | Expires 09-30-08 |
| 200 Total | | | | | | 2,026,461 | 926,461 | 661,000 | |
| 300 | UA | Info and Telecommunication Services | 3001260401 | 33114 | Common Core Of Data Survey | 90,000 | 35,000 | 35,000 | |
| 300 Total | | | | | | 90,000 | 35,000 | 35,000 | |
| 400 | MB | Food Services Administration | 4001010000 | 35680 | USDA State Administration Expenses | 670,219 | 700,000 | 700,000 | |
| 400 | MD | Food Services | 4001030200 | 35913 | Food Services-Federal Funds | - | 1,010,000 | 1,010,000 | |
| 400 | MD | Food Services | 4001030200 | 35913 | Food Services-Federal Funds | 34,989,661 | 33,686,556 | 33,801,521 | |
| Subtotal | | | | | | 34,989,661 | 34,696,556 | 34,811,521 | |
| 400 Total | | | | | | 35,659,880 | 35,396,556 | 35,511,521 | |

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|------------------|------------------|------------------------------------|------------|---------------------|---------------------------|-------------------------------------|--|--|------|
| 500 | PB | Adult Education - State Admin Svcs | 5002010000 | 46980 | Adult Ed-Administration | 170,025 | 170,025 | 170,025 | |
| 500 | PC | Adult Community Education | 5002020000 | 46981 | Adult Ed-Basic | 2,553,226 | 2,553,226 | 2,553,226 | |
| 500 | PC | Adult Community Education | 5002020000 | 46983 | Adult Ed-State Leadership | 536,756 | 536,756 | 536,756 | |
| Subtotal | | | | | | 3,089,982 | 3,089,982 | 3,089,982 | |
| 500 Total | | | | | | 3,260,007 | 3,260,007 | 3,260,007 | |

| | | | |
|-------|-------------|-------------|-------------|
| TOTAL | 261,647,302 | 257,190,054 | 257,138,558 |
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TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 164

April 1, 2009

RELATING TO THE FEDERAL GRANTS SEARCH, DEVELOPMENT, AND
APPLICATION REVOLVING FUND

Senate Bill No. 164 amends the name of the existing Federal Grants Search, Development, and Application Revolving Fund to the Federal Grants Revolving Fund and expands the use of the fund to include monitoring of grant execution, ensuring compliance with grant requirements, and auditing grant expenditures.

We are opposed to this bill. As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-53.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. With the proposed expansion of the use of this fund, it is difficult to determine whether the fund will be self-sustaining.