

SB 164

WRITTEN ONLY

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 164

February 25, 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.