

Legislative Federal Economic Stimulus Program Oversight Commission
11/24/09

I. Meeting called to order- 10:01 AM

Members present-

Representative Michael Magaoay- House of Representatives member
Kate Stanley- appointee of the Speaker of the House
Tom MacDonald- appointee of the Senate Minority Leader
Aaron Johanson- appointee of the House Minority Leader
Kyle Chock- appointee of the Senate President
Mark Anderson- appointee of the Governor
Michael Kitamura- appointee of Senator Akaka
Jennifer Sabas- appointee of Senator Inouye

Members not present-

Senator Shan Tsutsui- Senate member
Amy Asselbayer- appointee of Congressman Abercrombie
Josh Wisch- appointee of Congresswoman Hirono

Others present- Judy Fomin- office of Representative Magaoay; Keira Kamiya- office of Senator Tsutsui; Ted Baker- Legislative Reference Bureau; members of the public

II. Adoption of Minutes

No changes being requested to the draft minutes of the Commission's 11/03/09 meeting, the minutes were accepted and will be posted on the Commission's website at:
<http://capitol.hawaii.gov/site1/studies/commESPO.asp>.

III. General Business

- The Chair reminded members that the Sunshine Law applies to operations of the Commission and that no discussions should be conducted outside of the Commission's meetings regarding actions to be taken by the Commission.
- It was noted that the Commission's questionnaire regarding pursuit and use of federal stimulus funds requests the responding agency to submit its answers seven business days in advance of the meeting at which the agency is to make its presentation. However, the Department of Human Services submitted its response late in the afternoon on November 23, 2009. Because this left Commission members with little time to review the material prior to the meeting, the Department's presentation was postponed until December 15, 2009. Prior to their departure, Department representatives were asked to use the extra time to ensure that all of the matters and programs covered in the questions have, in fact, been addressed.

IV. OVERVIEW OF FEDERAL STIMULUS FUNDS

- A. Presentation by the Department of Health, (DOH), by Lorrin Kim, Office of Planning, Policy, and Program Development and DOH ARRA Coordinator, on behalf of Dr. Chiyome Fukino, Director, and Susan Jackson, Deputy Director
- B. Highlights
- DOH has been awarded \$57,091,209 as of 9/30/09, most of which has been received and 90%+ of which is for environmental health programs
 - Funds have been received via ten grants, with one application pending and three in development
 - Most funding is to supplement existing programs, with a few new programs or project sites, and most of it is passed through to the counties where it is expended via private sector contractors and vendors
 - Internal controls are implemented by DOH's ARRA Coordinator and an Oversight Workgroup following federal requirements and those being established by the State ARRA Coordinator
 - DOH is collaborating with other agencies on workforce development, health information exchange planning and implementation, health information Regional Extension Centers, and broadband infrastructure
 - DOH missed opportunities to pursue funds via the State Loan Repayment Program because of insufficient time to submit an application (7/30/09 announcement date, 8/7/09 application due date) and the Licensure Portability Special Initiative because of insufficient mainland contacts and underdeveloped policy regarding multi-state licensing schemes
 - DOH has learned that the federal government website announcing grant applications is not always up-to-date, federal agency communications have to be closely monitored, and that local officials need to monitor evolution of federal requirements, look for potential efficiencies from sharing common resources, and ensure early registration with the federal grant system
 - Public input has been received through comment periods for certain programs, advisory boards with lay or community representatives, and the federal review and approval process

IV. Discussion

A. Additional information was elicited in response to follow-up by Commission members

B. Highlights

- Many of the job-creating projects have been put out to bid by the counties but some, especially those administered by the Environmental Protection Agency, (EPA), are approaching a deadline and the EPA is getting anxious about the State meeting that deadline
- In order to ensure that DOH has implemented the system of checks and balances required by the federal government and that delivery of funds to those who are intended to benefits not delayed and that DOH will not later have to return funds, it is developing "best practices" going forward, such as working with the Attorney General to ensure that there are separate contracts for each expenditure; this effort has benefited from the focus required of completing the first round of federal reporting
- ARRA-related work is being expedited and DOH is generally getting timely service from the Attorney General
- As it relates to jobs, ARRA fund expenditures to date have been more about job preservation than job creation; more detail on job retention and creation will become available as funds are expended in the first quarter of 2010
- Going forward, DOH intends to pursue ARRA funding for coveted projects and other opportunities on the horizon consistent with its priorities, but it needs to develop information from federal policy makers so that it is ready to seek the funds when they become available, although its ability to make those contacts suffers from competing demands on the time of DOH staff; while DOH has developed good communications with the Centers for Disease Control, it will pursue contacts with the Assistant Secretary for planning of the Department of Health and Human Services
- Some of the barriers to obtaining and expending ARRA funds that are being overcome, if not mastered, include revising appropriation procedures and codes, having to obtain procurement training for staff who are not able to use for new and different projects the procedures that were previously employed, and revising contracting documents to account for evolving internal controls
- While most ARRA funding will go to existing programs, the Women Infants and Children and Healthcare Acquired Infections grants are new projects/programs, the sewer lines for Maui is a new project in an existing program, and grant applications

for new/supplemental funding is in the works for rural county (Kauai and Maui) community prevention and tobacco prevention and control; other opportunities will be sought for Hawaii island

- Once ARRA funding is exhausted, programs relying on new/supplemental funding may no longer be able to conduct those activities; recipients are being asked to engage in "continuity planning" to address this concern but the future availability of alternate resources is hard to predict
- Once ARRA funding is exhausted, there may be little residual product, although the health information technology project runs until 2016 and will require permanent changes in how this information is handled
- The finite nature of funding affects the choice of projects, especially those where the funding is administered by EPA
- While the impact of ARRA funding is not readily apparent to the public, that is true of existing DOH programs and the impact within DOH has been and will be dramatic because, for example, increased immunizations and infrastructure upgrades are profound and meaningful undertakings
- With regard to the Health information technology Regional Extension Centers, DOH chose to submit two separate grant applications because that was believed to be in the best interest of the target populations; however, DOH realizes that having multiple grants competing against each other dilutes the State's chances of obtaining funds and will keep that in mind going forward

C. Documents

- DOH's answers to the Commission's questions and summaries of each of the ten ARRA funding awards have been posted to the Commission's website
- DOH's PowerPoint presentation will be provided and posted to the website

D. Follow-up to be provided by DOH

- Project-by-project status report on EPA administered ARRA funded infrastructure projects
- Whether clean diesel school bus funding is for retrofits, new buses, or a combination of both
- Specific identification of what State General Fund or county revenue losses have been supplemented or replaced by ARRA funding

- Quantification of immunizations done and meals delivered that would not have been done/delivered had it not been for the availability of ARRA funding

V. Public Comments

There were no comments or questions from members of the public present at the meeting.

VI. Adjournment

With a reminder that the next meeting would be held on December 1, 2009, with presentations by the Department of Education, Charter Schools, and University of Hawaii, the meeting was adjourned at 11:20 a.m.