

Legislative Federal Economic Stimulus Program Oversight Commission
6/22/10

I. Meeting called to order- 10:03 AM

Members present-

Kate Stanley- appointee of the Speaker of the House
Senator Shan Tsutsui- Senate member
Michael Kitamura- appointee of Senator Akaka
Mark Anderson- appointee of the Governor
Josh Wisch- appointee of Congresswoman Hirono
Ed Kemp- appointee of Senator Hemmings
Kyle Chock- appointee of the Senate President
Aaron Johanson- appointee of the House Minority Leader

Members not present-

Representative Michael Magaoay- House of Representatives member
Jennifer Sabas- appointee of Senator Inouye

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

The minutes of the Commission's meetings of 6/8/10 were approved without changes

III. General Business

- A. The Commission's next meeting will be 7/13 with presentations being made by the counties of Hawaii, Kauai, and Maui. The Chair will be away so Commission member Chock will preside over the meeting
- B. As discussed on 6/8/10, a letter has been sent to the Department of Business, Economic Development, and Tourism requesting a presentation following up on the one made in 12/09. A written response has been requested by 7/13 with an oral presentation to be made at the Commission's meeting on 7/27
- C. The Chair has prepared a letter to the Health Care Association informing them that the Department of Human Services will be asked to make a presentation responding to their concerns
- D. A separate letter will be sent to agencies not scheduled to make follow-up presentations asking them to update their earlier submissions

IV. Overview of Federal Stimulus Funds Presentation by the City and County of Honolulu, (City), by Chrystn Eads, Executive Assistant in the Office of the Mayor

A. Highlights

- The City has received grants by formula allocation from federal agencies, by allocation or competition awarded to the State and passed through to the City, or by competitive grant applications totaling \$102.5 million for construction and services here on Oahu that would not otherwise have been funded
- The City has also benefited millions of dollars in direct spending by federal agencies and from the stabilizing impact of federal funds, including the \$206 million provided for unemployment compensation and the approximately \$233 million for the Federal Medical Assistance Program
- The City has been complying with the federal government's quarterly reporting on all ARRA funds by providing the appropriate information to the State so the State can file the reports, by filing directly with federalreporting.gov, or by delegating the responsibility to subrecipients. The City also reports to the City Council, provides the City Council with copies of the reports filed with the federal government, and is required by law to obtain approval from the Council to apply for, accept, and expend State or federal funds. For all the ARRA grants, a resolution of support was passed by the City Council
- The Honolulu Police Department has received a formula Justice Assistance Grant totaling nearly \$3.5 million grant to employ 7 full time equivalent employees (FTEs) and to retain 3.5 FTEs (community policing, psychiatric nurse, securing evidence, and drug court staff), a competitive grant of \$5.2 million to pay for the salaries of 21 additional police officers over three years (with the possible addition of several more to come), and an allocation from the State in the amount of \$530 thousand (educate schools and first responders in recognizing, surviving, and responding to dangerous situations in schools and resources to conduct forensic examinations of wireless communication devices, and other repositories of digital evidence)
- The Department of Community Services received block grants including a supplemental increase of \$2.6 million for five capital improvement projects and two legal services programs and funds to permit the Homelessness Prevention and Rapid Rehousing Program to provide \$3,873,373 in grants to non-profit agencies to assist the homeless and those at risk of being homeless. The DCS has also received funding for employment training, including \$1.1 million grant from the Department of Labor to provide job training and educational opportunities for 74 at-risk youth who construct or rehabilitate affordable housing.
- The State Department of Labor and Industrial Relations provided \$3.4 million for the Workforce Investment Act Adult, Dislocated Worker, and Youth Programs last summer (employ low-income youth during the summer and to offer additional skills

training to 370 program participants), and the City and the State are currently negotiating an award of TANF funds to run a similar summer youth employment program this summer. The City also received two contracts from the State's Executive Office on Aging for nutritional assistance to kupuna, one for congregate food service and one was for in-home meal delivery, which have served 27,111 low-cost, nutritious meals and afforded the elderly participants an opportunity to socialize

- The State Department of Health allocated more than \$9 million to the Board of Water Supply for work on the water systems in Pacific Heights and Kapahulu and for work on the water mains underneath Kamehameha Highway in Kaneohe and in Haleiwa, all of which will be completed by the end of the summer
- The Department of Transportation Services has received about \$19 million allocated by the State from Federal Highway Administration (FHWA) funds, including installation and modification of traffic signals at various locations, traffic improvements in Kaimuki along Harding Avenue, improvements to Waipio Access Road, widening and improvements along Kalaeloa Boulevard, and the provision of auxiliary power for the City's Traffic Management Center, all of which are expected to start within the next 45 days. One FHWA project that is stalled, due to the filing of a lawsuit by an unsuccessful bidder
- The Federal Transit Administration allocated by formula two grants of almost \$41 million directly to the City for transit-related projects, all of which has been obligated. Expenditures include 20 60-foot-long hybrid buses, planning and engineering for the Honolulu High Capacity Transit Corridor Project, construction of parking at the Middle Street Intermodal Center, bus stop pad improvements, and expansion of the Pearl City bus facility bus parking
- The Department of Environmental Services received more than \$8.6 million for the Waimalu sewer rehabilitation project, which have already been obligated and expended, and a \$122,640 grant to create a How-To Handbook for organizations to use in implementing green infrastructure
- The Department of Energy allocated the City \$3.9 million through the Energy and Efficiency Conservation Block Grant that will allow the city to improve the energy efficiency of several of its facilities, including a . a photovoltaic system at the Pearl City Bus Maintenance Facility and retrofit lighting in four facilities
- The City has received a subsidy for the issuance of bonds through the Build America Bond (and Recovery Zone Economic Development Bond program, which makes the taxable bonds. The subsidies make taxable bonds to be sold more cost-effective than traditional tax-exempt bonds

- The City is currently evaluating two other grant opportunities, the Comprehensive Community Infrastructure program in support of public safety communications infrastructure and the Hawaii EV Ready Grants Program through which the State Energy Office is making \$3 million in ARRA funds available to install commercially available and standard-compliant electric vehicle charging equipment

2. Discussion

- The Office of Community Services applied for, but did not receive, another competitive grant because the office has a small staff that is 90% federal funded and it is limited in the activities it can pursue
- One funding for police officer positions funded by the Justice Assistance Grant expires after four years, funding will be pursued through the regular appropriations process, additional grants, and moving officers to positions vacated through retirement or other attrition
- The police departments school emergency response plan project was previously unfunded but drew support from the Attorney General for training of school staff in dealing with first responders, getting students to safety, and protecting criminal investigation of an incident as well as establishing protocols for these situations (such as hazards, plot plans, and site information). ARRA funds helped move this program along and, even if new sources of funding are not found to continue it, the protocols established will remain of use
- Only a small amount of the community services block grant has been expended but deadlines have been established for the subrecipients and it is understood that expenditure of the funds for the benefit of the local economy is the goal, not merely encumbrance/obligation of the funds. Money will be taken back and given to another subrecipient if necessary
- The Youth Build program is a competitive, three year grant that benefits 20 to 30 youth per year and that is run by the City under the supervision of its staff. The program has been previously funded through grants and supplemental grants or other new funds will be sought once the current grant funds are expended
- Funds for Board of Water Supply projects will be obligated and expended by the end of summer 2010. The reported number of jobs retained/created doesn't yet reflect jobs in the private sector. Jobs, both direct and indirect, are reported quarterly but the total job impact won't be known until the job is completed
- In calculating total job numbers, the primary recipient gives direct job numbers (estimated to include one-quarter of all ARRA jobs) and the Council on Economic Advisers determines the indirect job number based on an economic model that

accounts for the secondary effect of ARRA spending. The ARRA job counts may differ from those generated by the Bureau of Labor Statistics because it counts jobs differently

- One project funded by the Department of Energy was dropped in favor of another not because it could not meet the deadlines but because the Department wanted the money spent sooner
- Bids for transportation projects are coming lower than expected so some money has been taken back by the State to be reprogrammed for other projects including repaving and bus acquisition
- Articulated hybrid buses cost about \$1 million, 40 foot ones cost about \$600 to 700 thousand, and diesel buses about \$200 thousand less. The expense of hybrid buses is justified because of fuel economy and air quality in the frequent stop, lower speed, urban environment while diesel and clean diesel buses are used on long haul, express, and country routes because of their greater fuel economy in those applications
- Expenditure on artwork for the Wahiawa transit center stems not from a "need to have" vs. "want to have" analysis but because the federal government requires that a percentage of project funds be used for "enhancements." The transit center is two levels, with buses on the first and parking on the second, and the enhancement set-aside permits the City to develop a project that is not just a plain utilitarian structure but will include a pineapple themed clock tower and artwork that will reflect Wahiawa's agricultural heritage
- The energy efficiency expenditures have been slow because the program is new, the Department of Energy has been slow to provide guidance, and the design and planning process is a long one. While it is expected that the 2013 deadline will be met, plans to reprogram the funds, if necessary, are being developed
- Rather than each City department having an ARRA coordinator, each project has a coordinator who works with the Mayor, the State ARRA Coordinator, and personnel in the State agency through which the funding may have passed

3. Follow-up

- The City will provide a breakdown of the ARRA funded capital projects being administered by the Office of Community Services

- Commission member Kitamura will ask Senator Akaka's District of Columbia office to work with the Congressional Research Service on the manner by which the number of indirect jobs retained/created by ARRA funding is calculated

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 July 13, 2010, the meeting was adjourned at 11:18 a.m.