

April 7, 2010

TO: Committee on Finance

FROM: Kate Stanley

Chair

Legislative Federal Economic Stimulus Program Oversight Commission

RE: HCR 237 Requesting the Economic Stimulus Oversight Commission to Expand its Monitoring of Federal Stimulus Funds Available to Hawaii.

Chair and Members of the Committee:

As Chair of the Commission I would like to make the following comments:

The Commission is on a recess from its work while the legislature is in session as the staff services of the Commission are provided by the Legislative Reference Bureau and the staff of Vice-Speaker Magaoay and Senator Tsutsui.

The Commission completed a review of the state agencies who received federal ARRA funds and plans to review City and County and federal agency plans and expenditures during the upcoming interim.

A website has been created on the Legislative website which has posted minutes of the Commission meetings and the presentations of the various state agencies.

The questions asked of each agency cover the requested information outlined in this HCR.

Attached to this testimony is information on the website and the questions sent to each agency.

While I can not speak for the entire Commission I do not think that this HCR is necessary.

New!

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Legislative Federal Economic Stimulus Program Oversight Commission

Members:

• Voting

- Kyle Chock
- Aaron Johanson
- Representative Michael Magaoay
- Tom McDonald
- Kate Stanley - Chair
- Senator Shan S. Tsutsui

• Non-Voting

- Mark Anderson
- Amy Asselbaye
- Joan Ohashi
- Josh Wisch
- Jennifer Sabas

(Act 150), SLH 2009, creates an oversight commission to ensure transparency and accountability for programs, services, and benefits of funds allocated to the State by the American Recovery and Reinvestment Act of 2009.

Commission Questions

Commission Meeting Schedule

Meeting notices:

- 11/03/2009
 - ESPO 11-03-09 Meeting Minutes
 - ARRA Recipient Reporting
 - ARRA Awards List - Hawaii State Depts.
 - ARRA Award Summary (Hawaii State Depts.)
 - ARRA Powerpoint Presentation by Mark Anderson
 - ARRA Hawaii State Depts Awards With Jobs Reported
- 11/24/2009
 - ESPO 11-24-09 Meeting Minutes
 - Dept of Health Responses

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 - [ESPO 12-1-09 Meeting Minutes](#)
 - [University of Hawaii Responses](#)
 - [University of Hawaii Responses Summary](#)
 - [Charter School Responses](#)
- [12/8/2009](#)
 - [ESPO 12-08-09 Meeting Minutes\(Draft\)](#)
 - [DOT Responses](#)
 - [DOT Responses\(Presentation\)](#)
 - [DAGS Responses](#)
 - [DAGS Responses HSFCA Awards](#)
- [12/15/2009](#)
 - [DLIR Responses](#)
 - [DLIR Responses\(Presentation\)](#)
 - [DBEDT Responses](#)
 - [DBEDT Responses\(Presentation\)](#)
 - [DHS Responses](#)
 - [DHS Responses\(Presentation\)](#)
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 - [DOE Responses\(Presentation\)](#)
 - [DLNR Responses](#)
- [12/29/2009](#)
 - [Department of the Attorney General Responses](#)
 - [GOV Responses](#)
 - [GOV Responses\(Supplemental\)](#)
- Other Department Responses
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LEGISLATIVE FEDERAL ECONOMIC STIMULUS PROGRAM OVERSIGHT COMMISSION
ACT 150, SESSION LAWS OF HAWAII 2009

DEPARTMENT/AGENCY QUESTIONNAIRE

Instructions: Please use this MS Word document as a template, entering your answers below the corresponding number/letter. The commission is cognizant of the numerous reporting requirements of ARRA and does not wish to burden your Department or agency with duplicative requests for information where possible. Please use information that you have all ready reported to the Federal government, as applicable.

If a question is not applicable please indicate N/A. The information requested under question 1 should be answered under each item for each group/category or program/project. However, Questions 2 and 3 need not be answered for each group/category or program/project.

1. For each group/category or program/project for which ARRA funds have been obtained, please provide the following information:
 - (a) A brief summary of the program/project, including goals;
 - (b) Whether funds were appropriated for expenditure by a federal agency, were awarded as a formula/block grant to a State or county agency, or were awarded on a competitive grant basis;
 - (c) Whether matching funds are required, and, if so:
 - (i) Are they available;
 - (ii) Have they been secured;
 - (iii) If they have not been secured, why not; and
 - (iv) Will the State be required to continue that match or provide increased/full funding in the future;
 - (d) If there are additional requirements to receive funds, what are they;
 - (e) The amount of funds involved and the state/federal fiscal year within which the funds must be expended (e.g. SFY 2009-2010 or FFY 2009-2010);
 - (f) What criteria were used to identify the program/project as a priority and how does the program/project meet them;
 - (g) Efforts undertaken to coordinate application for funds and administration of the program/project, including expenditure of funds, with other federal, state, and county agencies;

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- (h) The criteria used to select activities for the program/project;
 - (i) Efforts made to provide public notice and seek public comment/input or, if public comment/input was not sought, why;
 - (j) Efforts made during the bidding/award process to ensure that it was transparent and that the funds were awarded based on merit and in a prompt, fair, and reasonable manner;
 - (k) Measures employed to: (1) reduce duplication of efforts, (2) ensure that funds were used for authorized purposes, and (3) prevent cost overruns, fraud, waste, error, and abuse;
 - (l) Current status of the program/project, including percentage of awarded funds that have been obtained, percentage of awarded funds encumbered and/or expended, and what part(s) of program/project have been completed; and
 - (m) Actual or anticipated economic impact to the State of the program/project, including the number of jobs saved/created and the long-term public benefits of the program/project.
2. For other programs/projects, if ARRA funds, such as competitive grants, were available for a program/project but were not sought or were denied, please briefly describe why the funds were not sought or why they were denied.
3. Please describe:
- (a) Any legal/operational barriers/constraints encountered in the award, receipt, encumbrance, or expenditure of funds, including procurement, late/delayed federal guidance, and reporting requirements;
 - (b) The effect of those barriers/constraints; and
 - (c) If and how they were mitigated.



HOUSE COMMITTEE ON FINANCE
Rep. Marcus Oshiro, Chair

Conference Room 308
April 7, 2010 at 2:00 p.m. (Agenda #1)

Supporting HCR 237.

The Healthcare Association of Hawaii advocates for its member organizations that span the entire spectrum of health care, including all acute care hospitals, as well as long term care facilities, home care agencies, and hospices. Thank you for this opportunity to testify in support of HCR 237, which requests Hawaii's Economic Oversight Commission to expand its monitoring of federal stimulus funds available to Hawaii.

The American Recovery and Reinvestment Act of 2009 (ARRA) followed the Economic Stimulus Act of 2008 and the Emergency Economic Stabilization Act of 2008, which were designed to stimulate the national economy by creating jobs, promoting investment, and encouraging consumer spending. The measures are nominally worth \$787 billion, with significant funding available to states for infrastructure, education, health care, energy, low-income housing, and law enforcement.

Recognizing the importance moving the federal funds into the economy as quickly as possible, the Hawaii Legislature passed Act 150, SLH 2009, which created expedited procedures for the State to expend federal funds drawn down from ARRA. The Act also created the Federal Economic Stimulus Program Oversight Commission, whose main function is to oversee the expenditure of federal ARRA funds received by the State.

Although this is an important function, the State can do more to assure that Hawaii is receiving its fair share of ARRA funds. Without a determination of the total amount of ARRA funds available to Hawaii, it is possible that millions of dollars are being lost. This concurrent resolution asks the Commission to determine the ARRA funds available to Hawaii, the funds for which Hawaii has applied, and the funds that Hawaii has drawn down. In addition, the concurrent resolution asks the Commission to track the funds that have been drawn down to ensure that they are used for the intended purposes. Fulfilling these additional functions would help to ensure that Hawaii is receiving all available ARRA funds and that the funds are used as intended.

For the foregoing reasons, the Healthcare Association supports HCR 237.