

SB 85

Measure Title: RELATING TO PUBLIC HOUSING.

Report Title: Hawaii Public Housing Authority; Resident Programs and Services Trust Fund

Description: Authorizes the Hawaii public housing authority to establish the resident programs and services trust fund, to be administered by the authority.

Companion:

Package: Housing and Homeless

Current Referral: HMS, WAM

Introducer(s): CHUN OAKLAND, GALUTERIA, RUDERMAN, Solomon

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON HUMAN SERVICES
ON
SENATE BILL NO. 85

January 26, 2013

RELATING TO PUBLIC HOUSING

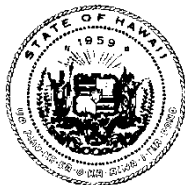
Senate Bill No. 85 establishes a Resident Programs and Services Trust Fund within the Hawaii Public Housing Authority into which is deposited moneys received from contracts, grants, awards, gifts, fees, appropriations, and revenues generated by Hawaii Public Housing Authority activities. The funds may be used for family self-sufficiency programs; supportive services for disabled or elderly tenants or housing choice voucher recipients; employment training; financial literacy programs and training; educational attainment or advancement; life skills programs and activities; and other education or health related programs and services. The funds may also be used for capital improvements supporting resident programs and services.

The Department of Budget and Finance does not support this bill as it does not provide proper accountability of State funds. For example, subsection (f) of the bill exempts the fund from certain Hawaii Revised Statutes chapters citing that the trust, including any disbursements of funds to providers of services, shall not be subject to laws or rules governing State and other public or quasi-public entities, including but not limited to Chapters 23 (Auditor), 36 (Management of State Funds), 37 (Budget), 38 (Deposits of Funds), 40 (Audit and Accounting), 42F (Grants and

Subsidies), 76 (Civil Service Law), 78 (Public Service), 84 (Standards of Conduct), 89 (Collective Bargaining), 91 (Administrative Procedures), 92 (Public Agency Meetings, Records), 92F (Information Practices), 103 (Public Money and Public Contracts), and 103D (Public Procurement Code).

The establishment of a trust fund requires a significant level of accountability and financial structure to ensure that funds are managed to the fiduciary standards and trust objectives. The Department of Budget and Finance is concerned that the Hawaii Public Housing Authority is ill-equipped to responsibly manage and administer a trust fund arrangement. Hawaii Public Housing Authority's 2011 Financial Audit cited several material weaknesses in financial reporting and expenditures that remain open; therefore, it is unclear why this fund would warrant this level of flexibility and yet not be held accountable for the expenditures made, especially in light of the public funds (referring to "any appropriation" language in the bill) that would be deposited into the trust fund.

NEIL ABERCROMBIE
GOVERNOR



HAKIM OUANSAFI
EXECUTIVE DIRECTOR

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BARBARA E. ARASHIRO
EXECUTIVE ASSISTANT

Statement of
Hakim Ouansafi
Hawaii Public Housing Authority
Before the

SENATE COMMITTEE ON HUMAN SERVICES

January 26, 2013 1:15 P.M.
Room 229, Hawaii State Capitol

In consideration of
Senate Bill 85
Relating to Public Housing

Honorable Chair and Members of the Senate Committee on Human Services, thank you for the opportunity to provide you with comments regarding Senate Bill (S.B.) 85, relating to public housing.

The Hawaii Public Housing Authority (HPHA) supports the enactment of this measure, which would authorize the HPHA to establish and administer the resident programs and services trust fund, with amendments. This measure will significantly improve the ability of the HPHA to ensure that the tenants of our public housing program will receive the much needed resident programs and services that will not only improve their quality of life, but also assist our tenants in transitioning out of public housing.

The HPHA respectfully requests that Section 1 of the bill (Subsection (c) 7) be amended as follows:

“(7) Any other education or health related programs and services as deemed appropriate by the authority.”

to ensure the measure allows the agency the flexibility to include other uses of the fund when future programs and services might arise.

The HPHA appreciates the opportunity to provide the Senate Committee on Human Services with the agency’s position regarding S.B. 85. We respectfully request the Committee to pass this measure with amendments, and we thank you very much for your dedicated support.



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TESTIMONY
OF
AARON S. FUJIOKA
ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE
SENATE COMMITTEE
ON
HUMAN SERVICES

January 26, 2013

1:15 p.m.

SB 85

RELATING TO PUBLIC HOUSING.

Chair Chun Oakland, Vice Chair Green, and committee members, thank you for the opportunity to testify on SB 85. This bill proposes to authorize the Hawaii public housing authority to establish a new resident programs and services trust fund to be administered by the authority.

The State Procurement Office's (SPO) testimony is limited to SECTION 1 regarding procurement. SPO opposes allowing the authority to "*disburse funds from this trust fund to providers of services without regard to chapters 103 and 103D.*" Part of the trust fund moneys are from "...any appropriation, grant, allocation or other source from any political subdivision of local, state, or federal government..."; therefore the state is accountable for its expenditures. Public procurement's primary objective is to provide vendors, contractors and service providers equal opportunity to compete for government contracts, to prevent favoritism, collusion or fraud in awarding of contracts. To legislate that any one entity should be exempt from compliance with HRS chapters 103D or 103F conveys a sense of disproportionate equity to the law's application.

The exemption language on page 4, paragraph (f), lines 10 to 12 should be amended to read: "*The authority may also disburse funds from this trust fund to providers of services ~~without regard to~~ in accordance with chapters 103, ~~and~~ 103D and 103F, as appropriate.*" Additionally on page 5, line 7, delete reference to chapter 103D.

Thank you.

OFFICE OF INFORMATION PRACTICES

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To: Senate Committee on Human Services

From: Cheryl Kakazu Park, Director

Date: January 26, 2013, 1:15 p.m.
State Capitol, Conference Room 229

Re: Testimony on S.B. 85
Relating to Public Housing

Thank you for the opportunity to submit testimony on this bill. The Office of Information Practices (“OIP”) takes no position on the substance of this bill, which would authorize the creation of a resident programs and services trust fund to be administered by the Hawaii Public Housing Authority (Authority). The Committee, however, should be aware that proposed section 356D-___(f), on pages 4-5 of the bill, would exclude the trust from the Uniform Information Practices Act (“UIPA,” HRS Chapter 92F) and the Sunshine Law (Part I of HRS Chapter 92).

Additionally, it is unclear from this proposed bill as to whether the Hawaii Public Housing Authority must remain publicly accountable for its administration of the proposed Trust. If the Trust itself is not publicly accountable as to the disbursement of its funds or otherwise, there may be an implication that Trust records in the hands of the Authority are likewise not subject to disclosure under the UIPA, HRS Chapter 92F. If this is not the intent, then the Committee may want to clarify that the records maintained by the Authority regarding its administration of the Trust remain subject to HRS Chapter 92F.