

HAWAII YOUTH SERVICES NETWORK

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Rick Collins, President

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Director

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Hawaii

Bobby Benson Center

Central Oahu Youth Services
Association

Child and Family Service

Coalition for a Drug Free Hawaii

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Student Television

Hui Malama Learning Center

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Life Foundation

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(PACT)

Planned Parenthood of the
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Salvation Army Family
Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community
Center

The Catalyst Group

Uhane Pohaku Na Moku

O Hawai'i

Waikiki Health

April 2, 2016

To: Representative Sylvia Luke, Chair,
And members of the Committee on Finance

CCOMMENTS ON SB 3070 SD1 RELATING TO GRANTS

Hawaii Youth Services Network (HYSN), a statewide coalition of youth-serving organizations, is providing comment on SB 3070 SD 1 Relating to Grants.

HYSN agrees that

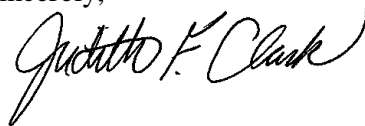
- The Legislature should make appropriations for grants during the regular session of odd numbered years for the ensuing fiscal biennium, while allowing for grants in the even numbered years when they address urgent needs.
- No organization should receive more than one grant during a fiscal biennium.

HYSN has some concern about placing a low priority for grant requests that include administrative or operating funds. Every direct service program or project incurs administrative costs, and it is reasonable and necessary to include those costs in legislative grant-in-aid funding. Here are some examples of reasonable administrative charges. Organizations that provide services to vulnerable populations such as young children or persons with disabilities incur risks and must maintain liability insurance. In fact, all state contracts and grants include requirements for maintaining liability insurance, with the State of Hawaii named as additional insured. Fiscal management staffing and an independent audit are needed to assure accurate accounting and appropriate use of state funds. These essential costs should be included in grant-in-aid awards.

Grants should not be awarded solely for the purpose of subsidizing an organization's administrative and operating costs, however, but only as a portion of the costs of operating a program that benefits the people of Hawaii.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH
Executive Director

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April 5, 2016

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TO: Representative Sylvia Luke, Chair

Representative Scott Nishimoto, Vice-Chair

House Finance Committee Members

FROM: Howard S. Garval, MSW, President & Chief Executive Officer

RE: Comments on SB 3070, SD 1

HEARING: Tuesday, April 5, 2016 at 2:31 p.m., Conference Room 308, State Capitol, 415 South Beretania Street, Honolulu, HI

Aloha, Rep. Luke, Rep. Nishimoto, and members of the House Finance Committee. I am Howard S. Garval, President & CEO of Child & Family Service (CFS), Hawaii's oldest and most comprehensive human services organization. We serve from keiki to kupuna and touch the lives of over 40,000 Hawaii residents each year with services that range from child abuse prevention and treatment, early childhood programs, child welfare programs, domestic violence programs, services for troubled youth, and kupuna services. We have years of experience with the Grants-In-Aid process, so we are very familiar with the various issues involved.

I would like to make several comments on SB 3070, SD 1. They are as follows:

1-To make appropriations for grants during the regular session of each odd-numbered year for the ensuing fiscal biennium, but still permit the legislature to add new or amend or repeal existing grant appropriations during the regular session of an even-numbered year or a special session.

COMMENT: Child & Family Service (CFS) welcomes the legislature taking a fresh look at the Grant-In-Aid process and practice. Greater transparency around this process is welcome. It is also appropriate that the legislature attempts to address a sense of fairness that would enable more nonprofits to benefit from such grants. Often one-year's funding may be inadequate to implement a new program or program enhancement. In order to provide additional services or add quality to an existing program, this often means hiring additional staff which can take months, so the start up time cuts into the one-year funding that is available. That is why

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Kauai United Way
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“We’re all about FAMILY”

Mission: Strengthening Families and Fostering the Healthy Development of Children

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leaving open the potential for extending the grant funding for a second year is an important provision in the bill.

2) To appropriate funds for not more than one grant for each grant recipient during a fiscal biennium.

COMMENT: As indicated above, this seems to be a reasonable policy to extend grants to more organizations that apply for these funds.

3) To place a low priority on requests to fund general and administrative expenses.

COMMENT: While grants should not be awarded solely for the purpose of subsidizing an organization's administrative and operating costs, every service or program we provide has administrative costs that are necessary to provide the service. These costs can include meeting the financial audit requirements for nonprofit organizations, professional and other liability insurance to protect the organization, especially when dealing with high risk populations, quality assurance costs to ensure compliance with government contract requirements and accreditation standards as well as to measure program outcomes, etc. Several state funders for purchase of service contracts recognize these costs but fairly regularly cap them at 15% of the overall contract. A similar approach can be considered for grants-in-aid.

Additional comment: The state could consider an independent legislature-appointed review committee that sets scoring criteria for GIA proposals similar to the City and County of Honolulu. This would create a level playing field for nonprofits to compete for these grant funds.

If the Committee has any questions about this testimony, please feel free to contact me at hgarval@cfs-hawaii.org or by calling me at 681-1418.

Mahalo for the opportunity to submit testimony.

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