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WRITTEN ONLY
TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 1309, HD1

March 22, 2017
9:30 a.m.
Room 211

RELATING TO GRANTS

House Bill No. 1309, HD1 requires organizations receiving grants pursuant to section 42F-103, Hawaii Revised Statutes, to repay the State the amount of the grant used for the planning, design, construction, renovation, operations, and equipment of facilities, in the event that the organization fails to continue the activities or services for which the grant was approved and also requires organizations to publicly recognize that the project was supported by the State. This measure further allows a designated expending agency to delegate administration of this grant to another entity, upon consent of the grantee and with approval of the Governor.

The Department of Budget and Finance supports the provisions of this measure. However, we question whether the Department can exercise exclusive authority to recoup state funds, particularly if an organization is involuntarily dissolved due to lack of financial resources. We further recommend that the term "subsidy" be removed from Part II as Chapter 42F was amended in 2014 to remove all references to "subsidies".

Thank you for your consideration of our comments.