

Honolulu, Hawaii

MAR 28 2018

RE: S.C.R. No. 93
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Government Operations, to which was referred S.C.R. No. 93 entitled:

"SENATE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE TO SUBMIT A REPORT TO THE LEGISLATURE ON ALL UNSPENT FEDERAL FUNDS FOR EACH STATE DEPARTMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Request the Department of Budget and Finance to compile a report including specific information on all unspent federal funds for each state department; and
- (2) Request the Department of Budget and Finance to submit the report to the Legislature prior to the convening of the Regular Session of 2019.

Your Committee received testimony in support of this measure from the Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that the State receives approximately \$3,000,000,000 per year from federal sources, which accounts for approximately twenty percent of the State's annual budget. The biggest recipients of federal funds in Hawaii are the Department



of Human Services, which administers Medicaid; University of Hawaii; Department of Education; and Department of Health. By requesting a comprehensive report of all unspent federal funds by state departments, this measure may be valuable in identifying ways to improve program funding, efficacy, and efficiency.

Your Committee notes the written comments submitted by the Department of Budget and Finance that in 2014, the Department launched the Federal Award Management System that requires state departments to report certain data for each federal award they receive and to update award records as the data changes. However, the Department of Education, University of Hawaii, which has its own separate reporting system, and Office of Hawaiian Affairs do not participate in the Federal Award Management System.

Accordingly, your Committee has amended this measure by:

- (1) Changing the title to request the Department of Education, University of Hawaii, and Office of Hawaiian Affairs, in addition to the Department of Budget and Finance, to submit a report to the Legislature on all unspent federal funds for their respective state department or entity, and making conforming amendments accordingly;
- (2) Adding the Superintendent of Education, President of the University of Hawaii, and Chief Executive Office of the Office of Hawaiian Affairs to the list of recipients to be transmitted a certified copy of this measure; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Government Operations that is attached to this report, your Committee concurs with the intent and purpose of S.C.R. No. 93, as amended herein, and recommends that it be referred to your Committee on Ways and Means, in the form attached hereto as S.C.R. No. 93, S.D. 1.



Respectfully submitted on
behalf of the members of the
Committee on Government
Operations,



DONNA MERCADO KIM, Chair



