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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY

TESTIMONY BY LAUREL A. JOHNSTON
ACTING DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE

ON
HOUSE BILL NO. 1709

**February 1, 2018
2:00 p.m.
Room 308**

LATE

RELATING TO GRANTS

House Bill No. 1709 repeals Section 42F-107, HRS, which requires the Governor to notify a grant recipient on the status of a grant authorized by the Legislature if grant funds are not released within 90 days.

The Department of Budget and Finance strongly supports this bill. The cost for providing notification as required by Section 42F-107, HRS, has been approximately \$12,000 per fiscal year in addition to the time necessary for staff to track grant status and compile the information for reporting, with no appropriation provided.

Thank you for your consideration of our comments.



LATE

**Testimony to the House Finance Committee
Representative Sylvia Luke, Chair
Representative Ty Cullen, Vice Chair
Thursday, February 1, 2018, 2:00 p.m.
Conference Room 309
HB 1709 Relating to Grants**

Dear Chair Luke Vice Chair Cullen and members of the FIN Committee:

On behalf of the Hawai'i Alliance of Nonprofit Organizations, I would like to offer our comments on HB 1709, Relating to Grants.

Hawai'i Alliance of Nonprofit Organizations (HANO) is a statewide, sector-wide professional association of nonprofits. Our mission is to unite and strengthen the nonprofit sector as a collective force to improve the quality of life in Hawai'i. Our member organizations provide essential services to every community in the state.

As we understand it, this bill removes the requirement by the Governor to inform grant recipients of the status of the grant when grant funds are delayed ninety days or later.

In polling nonprofit grantees, we are not even sure this current requirement is being enforced by the Governor, as many do not receive these letters.

Furthermore, we suggest attention be given to why grants are *not* paid within 90 days of the award notice. Nonprofit grantees have little financial wiggle room and these payment delays are very problematic for them. We urge for expedited grant award processes.

Thank you for the opportunity to provide written commentary.

Mahalo,
Lisa Maruyama
President & CEO