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OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN COMMENTS

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 466

LATE

February 09, 2017
2:00 p.m.
Room 308

RELATING TO GRANTS AND SUBSIDIES

House Bill No. 466 authorizes the delegation of a state grant appropriation under Chapter 42F, Hawaii Revised Statutes (HRS), from one designated department to another department, upon approval by the governor and with agreement from the receiving department. This measure also requires the governor to report such delegation within five days after such approval and to file an annual report of such delegations to the legislature prior to the convening of each regular session.

The Department of Budget and Finance supports the amendments allowing the delegation of authority. This would potentially improve the processing of multiple awards for both the grantee and the designated state department.

We believe an annual report could be more useful to the legislature but requiring a notice from the governor for each delegation within five days is likely not practicable.

Finally, the bill title includes "AND SUBSIDIES", but Chapter 42F was re-codified in 2014 by Chapter 96, SLH, which deleted all references to the term "subsidy".

Thank you for your consideration of our comments.