

DAVID Y. IGE
GOVERNOR



LAUREL A. JOHNSTON
DIRECTOR

KEN N. KITAMURA
ACTING DEPUTY DIRECTOR

EMPLOYEES' RETIREMENT SYSTEM
HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND
OFFICE OF THE PUBLIC DEFENDER

STATE OF HAWAII
DEPARTMENT OF BUDGET AND FINANCE
P.O. BOX 150
HONOLULU, HAWAII 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE
BUDGET, PROGRAM PLANNING AND
MANAGEMENT DIVISION
FINANCIAL ADMINISTRATION DIVISION
OFFICE OF FEDERAL AWARDS MANAGEMENT (OFAM)

WRITTEN ONLY
TESTIMONY BY LAUREL A. JOHNSTON
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE SENATE COMMITTEES ON GOVERNMENT OPERATIONS
ON
SENATE CONCURRENT RESOLUTION NO. 93

March 27, 2018
2:55 p.m.
Room 224

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

Chair Kim, Vice Chair Ruderman, and Members of the Committee on Government Operations:

SCR 93 requests that the Department of Budget and Finance (B&F) submit a report to the Legislature on all federal funds unspent by state departments for the current fiscal year which could help identify ways to improve the effective and efficient expenditure of federal funds for the benefit of the residents of Hawaii.

In 2014, B&F launched the Federal Award Management System (FAMS), a feature of DataMart that requires state departments to report certain data for each federal award they receive and to update award records as the data changes. The data fields captured by a FAMS record are listed here: <https://federalawards.hawaii.gov/wp-content/uploads/2014/06/FAMS-Data-Field-Definitions.pdf>. At present, all state departments participate except for the Department of Education, the University of Hawai'i (which has a separate reporting system), and the Office of Hawaiian Affairs.

B&F agrees with the intent of SCR 93; however, at present FAMS cannot verify a state department's unspent award amount at the time of award close-out, because the various federal agencies' respective reports are not available and/or do not coincide with

our fiscal year. However, the Office of Federal Awards Management has been participating with various federal agencies that are seeking to work with States on an integrated reporting system.

Finally, pursuant to Act 178, SLH 2017, B&F will be providing data on federal fund use by the State. The interim report 'Federal Funding Policy Study-Interim Report' can be viewed here: <https://budget.hawaii.gov/wp-content/uploads/2018/01/OFAM-Annual-Report-to-the-Legislature-re-Federal-Funding-Policy-Study-Interim-Report.pdf>.

Thank you for your consideration of our comments.

SCR-93

Submitted on: 3/26/2018 2:36:40 PM

Testimony for GVO on 3/27/2018 2:55:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Melodie Aduja	Testifying for Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i	Support	No

Comments: