Honolulu, Hawaii

, 2022

FEB 14

RE: H.B. No. 2122

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-First State Legislature Regular Session of 2022 State of Hawaii

Sir:

Your Committee on Education, to which was referred H.B. No. 2122 entitled:

"A BILL FOR AN ACT RELATING TO FEDERAL INDIRECT OVERHEAD REIMBURSEMENTS,"

begs leave to report as follows:

The purpose of this measure is to provide greater fiscal transparency by broadening the purposes for which indirect costs incurred by the Department of Education, State Public Charter School Commission, or a charter authorizer from federal grants may be reimbursed.

Your Committee received testimony in support of this measure from the Department of Education and Hawaii Public Charter Schools Network.

Your Committee finds that indirect cost funds are reimbursements from federal grants received by the Department of Education for costs incurred in support of administrative and general business operations based on a negotiated rate with the federal government, which is assessed against allowable federal grant expenditures. Your Committee further finds that broadening the purposes for which indirect costs from federal grants may be used will make the costs available to be deposited into the

Federal Grants Revolving Fund, which allows funds to be used for the pursuit of additional discretionary grants, monitoring grant execution, compliance with grant requirements, and the auditing of grant expenditures.

Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2050; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2122, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2122, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Education,

JUSTAN H. WOODSON, Chair

Record of Votes of the Committee on Education

Bill/Resolution No.: H乃2122	Committee Referral: EDN, FIN	Date: 2/3/2/1	
☐ The committee is reconsidering its previous decision on the measure.			
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)			
EDN Members	Ayes	Ayes (WR) Nays	Excused
1. WOODSON, Justin H. (C)			
2. KAPELA, Jeanne (VC)			
3. BELATTI, Della Au			
4. CLARK, Linda			
5. GANADEN, Sonny			
6. GATES, Cedric Asuega			
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7. HASHIMOTO, Troy N.	✓	·	
8. OHNO, Takashi			
9. QUINLAN, Sean			
10. TAKAYAMA, Gregg			
11. YAMANE, Ryan I.			
12. OKIMOTO, Val			
TOTAL (12)	9		3
The recommendation is: Adopted If joint referral, did not support recommendation. committee arronym(s)			
Vice Chair's or designee's signature			
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO			