

STAND. COM. REP. NO.

2225

Honolulu, Hawaii

FEB 11 2022

RE: S.B. No. 3090
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Education, to which was referred S.B. No. 3090 entitled:

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

begs leave to report as follows:

The purpose and intent 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 under section 302A-1405, Hawaii Revised Statutes.

Your Committee received testimony in support of this measure from the Department of Education.

Your Committee finds that indirect cost funds are reimbursed 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 that is assessed against allowable federal grant expenditures. Your Committee also finds that the Department of Education is required by statute to retain all federal indirect cost funds that it realizes.

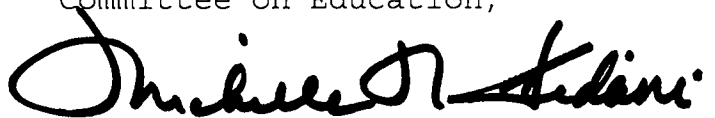


Accordingly, your Committee finds that this measure will increase financial transparency by making indirect costs from all federal grants, whether discretionary or non-discretionary, available for deposit into the Federal Grants Revolving Fund authorized under section 302A-1405, Hawaii Revised Statutes. The allowable use of these funds include the pursuit of additional discretionary grants, monitoring grant execution, compliance with grant requirements, and the auditing of grant expenditures. Your Committee additionally finds that depositing indirect cost funds into the existing revolving fund will support better intentional, planned, and transparent use of these funds.

Your Committee has amended this measure by making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

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 S.B. No. 3090, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3090, S.D. 1, and be referred to your Committee on Ways and Means.

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



MICHELLE N. KIDANI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Education
EDU

Bill / Resolution No.:* SB 3090	Committee Referral: EDU, WAM	Date: 02/07/22
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The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KIDANI, Michelle N. (C)	/			
KIM, Donna Mercado (VC)	/			
DELA CRUZ, Donovan M.	/			
KANUHA, Dru Mamo	/			
FEVELLA, Kurt	/			
TOTAL	5			

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:
Anna Inoué

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***Only one measure per Record of Votes**