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# A BILL FOR AN ACT

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RELATING TO THE STATE BUDGET.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the federal funding  
2 freeze imposed by the United States Office of Management and  
3 Budget may have detrimental effects on Hawaii's nonprofit  
4 sector, which provides critical services in health and human  
5 services. Without assistance from the federal government,  
6 Hawaii's federally qualified health centers, and programs that  
7 provide child care, social services, subsidized housing, and  
8 homeless services, will see a significant drop in funding.

9           The purpose of this Act is to appropriate moneys to and  
10 authorize temporary full-time equivalent positions for the  
11 office of community services of the department of labor and  
12 industrial relations to award grants subject to chapter 42F,  
13 Hawaii Revised Statutes, and other qualifications, for fiscal  
14 year 2025-2026, and authorize the office of community services  
15 to contract the services of Aloha United Way, Inc., to assist  
16 with the administration and distribution of grant awards.



1       SECTION 2. The legislature finds and declares that the  
2 grants made pursuant to chapter 42F, Hawaii Revised Statutes,  
3 under this Act are in the public interest and for the public  
4 health, safety, and general welfare.

5       SECTION 3. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$50,000,000 or so  
7 much thereof as may be necessary for fiscal year 2025-2026 to  
8 the office of community services of the department of labor and  
9 industrial relations for:

10       (1) The awarding of grants made pursuant to chapter 42F,  
11 Hawaii Revised Statutes, and the selection process  
12 established pursuant to section 4 of this Act, for the  
13 benefit of nonprofit organizations in the State of  
14 Hawaii; and

15       (2) The contracting of administrative support services to  
16 evaluate, select, award, distribute moneys to, and  
17 monitor compliance of, grant recipients.

18       The sum appropriated shall be expended by the office of  
19 community services of the department of labor and industrial  
20 relations for the purpose of this Act.



1           SECTION 4. (a) Provided that of the general fund  
2   appropriation for the office of community services of the  
3   department of labor and industrial relations (program ID LBR903)  
4   authorized under section 3, the sum of \$50,000,000 or so much  
5   thereof as may be necessary for fiscal year 2025-2026, shall be  
6   expended on:

7           (1) Grants issued in accordance with chapter 42F, Hawaii  
8           Revised Statutes, and subsection (b); and

9           (2) Any administrative expenses associated with the  
10          selection, award, and administration of the grants.

11          (b) In selecting recipients and awarding and administering  
12   grants funded by the appropriation contained in section 3 of  
13   this Act, there is established an evaluation and selection  
14   committee to oversee the evaluation and selection of, and  
15   determine grant award amounts to, nonprofit applicants. The  
16   evaluation and selection committee shall be composed of the  
17   following members:

18          (1) Two senators appointed by the president of the senate;  
19          and

20          (2) Two representatives appointed by the speaker of the  
21          house of representatives.



1 The meetings of the evaluation and selection committee shall not  
2 be subject to part I of chapter 92, Hawaii Revised Statutes.

3 To be eligible for a grant funded by the appropriation  
4 contained in section 3, applicants shall be recipients or  
5 providers that have sustained a reduction or termination of  
6 their federal funding, or if the applicant is not a direct  
7 federal funding recipient or provider, the applicant shall  
8 primarily serve populations that have been negatively affected  
9 by reductions or terminations of federal funding. Applicants  
10 for a grant under this Act shall provide documentation  
11 evidencing the nature and extent of the federal funding  
12 reduction and its impact on the recipient or provider's  
13 operations, programs, or services, or shall demonstrate the  
14 causal connection between the federal funding change and the  
15 adverse impact on the population served, as well as how the  
16 proposed use of grant funds will mitigate or address that  
17 impact.

18 In evaluating, selecting, awarding, and administering  
19 grants funded by the appropriation contained in section 3, the  
20 evaluation and selection committee shall apply all qualifying  
21 standards, conditions, and other applicable requirements under



1 chapter 42F, Hawaii Revised Statutes, to the grant recipients  
2 and their respective contracts; provided that the grant  
3 application submission deadline contained in section 42F-102,  
4 Hawaii Revised Statutes, shall not apply to grants applied for  
5 and funded pursuant to this Act.

6 (c) Notwithstanding any law to the contrary, including  
7 chapters 103F and 103D, Hawaii Revised Statutes, the office of  
8 community services may contract with Aloha United Way, Inc., to  
9 provide administrative support to the office of community  
10 services to contract and distribute moneys to recipients of  
11 grants awarded pursuant chapter 42F, Hawaii Revised Statutes,  
12 and this Act. Subject to the approval of the evaluation and  
13 selection committee, Aloha United Way, Inc., may charge and  
14 receive an administrative fee of no more than \$500,000 to  
15 contract, process, and distribute the award of funds made  
16 available under this Act.

17 After the settlement of all administrative costs, any  
18 remaining unencumbered and unexpended balance shall be returned  
19 by Aloha United Way, Inc., to the office of community services  
20 for deposit into the State's general fund.



1       SECTION 5. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$140,000 or so much  
3 thereof as may be necessary for fiscal year 2025-2026 for the  
4 office of community services to carry out its responsibilities  
5 under this Act. The sum appropriated shall be expended as  
6 follows:

7       (1) \$130,000 for the establishment of two temporary  
8 full-time equivalent (2.0 FTE) positions; and

9       (2) \$10,000 for the purchase of office equipment and  
10 furniture.

11       The sum appropriated shall be expended by the office of  
12 community services of the department of labor and industrial  
13 relations.

14       SECTION 6. If any portion of this Act or its application  
15 to any person, entity, or circumstance is held to be invalid for  
16 any reason, the legislature declares that the remainder of the  
17 Act and any other provision thereof shall not be affected  
18 thereby. If any portion of a specific appropriation is held to  
19 be invalid for any reason, the remaining portion shall be  
20 expended to fulfill the objective of that appropriation to the  
21 extent possible.



1       SECTION 7. If manifest clerical, typographical, or other  
2 mechanical errors are found in this Act, the governor may  
3 correct the errors.

4       SECTION 8. This Act shall take effect on July 1, 2025.



**Report Title:**

Chapter 42F; Grants; Executive Branch; Appropriation

**Description:**

Appropriates moneys to the Office of Community Services of the Department of Labor and Industrial Relations for the award of grants for fiscal year 2025-2026. Establishes an evaluation and selection committee to oversee the awarding of grants. Authorizes the Office of Community Services to contract the services of Aloha United Way to assist with the administration and distribution of grant awards. Appropriates moneys to the Office of Community Services for positions, office equipment, and furniture. (CD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

