

Testimony of Mark K. Anderson  
State Lead ARRA Coordinator  
Office of Economic Recovery and Reinvestment (OERR), Department of Budget and Finance  
before the  
Legislative Federal Economic Stimulus Program Oversight Commission  
Tuesday, July 26, 2011  
10:00 a.m.  
State Capitol, Conference Room 229

Update on Federal Stimulus Funds Received by the State of Hawaii

Chair Kate Stanley and members of the Legislative Economic Stimulus Program Oversight Commission, thank you for this opportunity to provide the Committee with an update on ARRA activities.

My name is Mark Anderson. I am the State Lead ARRA Coordinator and head a two person office called the Office of Economic Recovery and Reinvestment (OERR) that is part of the Department of Budget and Finance. I report to the Director of the B&F. I also coordinate my activities with the Lieutenant Governor's Office.

The State of Hawaii has taken a 'de-centralized' approach to managing ARRA funds. Each state entity receiving ARRA funds are required to participate in the Hawaii ARRA Accountability System (HARRAAS).

The objectives of the HARRAS are to:

1. Avoid waste, fraud and abuse;
2. Ensure that costs charged to Recovery Act programs are allowable costs, in accordance with applicable laws, regulations, agreements and contracts;
3. Ensure that funds provided under Recovery Act awards are separately accounted for, from receipt to obligation to expenditure;
4. Ensure that effective cash management is employed for Recovery funds to minimize the time elapsing between (i) the transfer of funds from the Federal Government, or from a pass-through entity, to (ii) disbursement;
5. Ensure that the use of Recovery funds meet all federal requirements as described in individual ARRA grant awards and OMB Circulars;
6. Fulfill Recovery Act reporting requirements in a timely and accurate manner.

As part of HARRAS, each state entity receiving ARRA funds is required to adopt certain accounting conventions to make ARRA funds readily transparent from receipt to expenditure. In addition, head of state entities become "ARRA Coordinators" who form "ARRA Recovery Teams" and produce and post on-line

“ARRA Recovery Plans” at [www.hawaii.gov/recovery](http://www.hawaii.gov/recovery). Recovery Plans should include an overview, the purpose of the ARRA grant, when the ARRA grant become available, when it was applied for, when it was awarded, the theory of action behind the use of funds, how projects and activities were selected and what the desired outcomes are, a description of the public process (if any) taken to make ARRA funds available, and who approved the use of funds and when.

In December, I asked all ARRA Coordinators to review their Recovery Plans again and provide written confirmation that they understand the HARRAS.

Every reporting quarter, the OERR does a series of checks of the 1512 reports submitted by state entities to [federalreporting.gov](http://federalreporting.gov) to make sure that the data is consistent with amounts in FAMIS, the State’s official accounting system. The OERR also verifies that:

- Each ARRA award by federal award ID has a unique state appropriation symbol and that transactions for each ARRA award are conducted within a single state appropriation symbol;
- The “Amount of Award” on the 1512 report matches the award amount in the federal award letter;
- ARRA funds use the MOF designation “V” in FAMIS;
- Cash draw downs for ARRA awards are assigned revenue source code “0581” in FAMIS;
- Revenue and expenditure amounts (cumulative totals) on the 1512 report matches the amounts recorded in FAMIS;
- Vendor payments \$25,000 and under as recorded in FAMIS (including p-card charges) are reported in the aggregate (total amount and total number of vendors) in the “Project/Award Information” section of the 1512 report;
- Vendor payments over \$25,000 as recorded in FAMIS are reported individually on the 1512 vendor page;
- The “Number of Jobs” amount on the 1512 report matches the amount on the job calculation worksheet submitted to OERR for each ARRA award subject to the 1512 reporting requirements;
- And, the narratives entered in the “Award Description” and “Quarterly Activities/Project Description” fields are updated and provide sufficient detail to the public.

Based on preliminary data for the reporting period ending June 30, 2011 I would like to update the Committee on the progress by state entities in expending ARRA funds:

1. Summary of ARRA Awards to All State Entities
2. List of ARRA Awards to All State Entities Not Subject to the 1512 Reporting Requirement
3. List of ARRA Awards to All State Entities Subject to the 1512 Reporting Requirements
4. Total Jobs Reported by All State Entities for ARRA Awards Subject to 1512 Reporting Requirements
5. List of Capital Improvement Projects Funded by ARRA for All State Entities
6. ARRA Awards to All State Entities by Sector
7. Estimated Employment Impact of the ARRA in Hawaii
8. Summary of ARRA grant expenditure deadlines and federal monitoring

Thank you for this opportunity to testify.