



GOV. MSG. NO. 1327

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 6, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 6, 2016, the following bill was signed into law:

SB2550 HD1 CD1

RELATING TO FEDERAL FUNDS
ACT 225 (16)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on JUL 6 2016

THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2016
STATE OF HAWAII

ACT 225
S.B. NO.

2550
H.D. 1
C.D. 1

A BILL FOR AN ACT

RELATING TO FEDERAL FUNDS.

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

1 SECTION 1. The purpose of this Act is to address federal
2 funds for state government.

3 More specifically, this Act requires the office of the
4 governor to conduct a federal funding policy study.

5 The legislature finds that the preparation of a study of
6 federal funding is necessary for state public policymakers to
7 better understand the possible consequences of major reductions
8 in federal funding of state government programs and projects.
9 The legislature intends for the study to result in a policy from
10 the governor that reduces the dependence of state government on
11 federal funds.

12 SECTION 2. (a) The office of the governor shall prepare a
13 federal funding policy study for the State.

14 (b) The federal funding policy study shall:

15 (1) Identify the federal fund awards that state executive
16 departments regularly receive to pay for programs and
17 projects;



- 1 (2) Estimate the amount of federal funds to be expended by
2 the state government annually in the next two fiscal
3 bienniums;
- 4 (3) Analyze the extent of the dependence of state
5 executive departments on federal funds to pay for
6 major programs and projects;
- 7 (4) Address the likelihood of a reduction of federal funds
8 for state programs and projects in the next two fiscal
9 bienniums; and
- 10 (5) Discuss generally the impact on state government and
11 Hawaii residents if federal funding levels are
12 reduced.
- 13 (c) Based upon the findings from subsection (b), the
14 federal funding policy study shall recommend a policy with
15 respect to the use of federal funds for state programs and
16 projects. The policy shall include:
- 17 (1) Parameters regarding the application for and
18 acceptance of federal funds available on a formula or
19 competitive basis;
- 20 (2) Principles guiding the extent of dependence of state
21 executive departments on federal funds;



- 1 (3) Conditions for using federal funds as the means of
- 2 financing the salaries of state employees;
- 3 (4) Circumstances under which the state government should
- 4 continue programs or projects with state funds after
- 5 federal funds are no longer available for those
- 6 programs and projects; and
- 7 (5) Measures and recommendations to protect the state
- 8 government and residents of the State from the adverse
- 9 effects of a slowed or reduced rate of federal funding
- 10 for state programs and projects.
- 11 (d) The office of the governor shall submit:
- 12 (1) An interim report on the actions taken pursuant to
- 13 this Act from its effective date until December 31,
- 14 2016, to the legislature no later than twenty days
- 15 prior to the convening of the regular session of 2017;
- 16 and
- 17 (2) The final federal funding policy study and any
- 18 proposed legislation to the legislature no later than
- 19 twenty days prior to the convening of the regular
- 20 session of 2018..

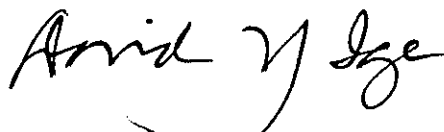


1 SECTION 3. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$100,000 or so much
3 thereof as may be necessary for fiscal year 2016-2017 for the
4 preparation of the federal funding policy study.

5 The sum appropriated shall be expended by the office of the
6 governor for the purposes of this Act.

7 SECTION 4. This Act shall take effect on July 1, 2016.

APPROVED this 6 day of JUL , 2016



GOVERNOR OF THE STATE OF HAWAII