A BILL FOR AN ACT

RELATING TO GRANT IN AID.

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

SECTION 1. The legislature finds that unacceptable delays exist in the disbursement of grant-in-aid funding. Although the legislature awards appropriations effective at the beginning of the fiscal year, organizations must often wait up to over a year before the money is disbursed by the appropriate executive agency.

Delays harm all organizations, but particularly impact those providing health and human services to low-income, homeless, and other vulnerable individuals. Not receiving payments in a timely manner destabilizes those organizations and affects their ability to serve vulnerable populations.

The purpose of this Act is to require funds awarded through grant-in-aid and disbursed by contracts with the Department of Human Services or the Department of Health to be released within ninety days of the legislation's effective date awarding the grant.
SECTION 2. Chapter 42F, Hawaii Revised Statutes, is
amended by adding a new section to be appropriately designated
and to read as follows:

"§42F- Grant Disbursement. Funds shall be allocated,
released, and disbursed to recipients of grants from the
department of human services and the department of health within
ninety days of the effective date of the legislation awarding
the grant."

SECTION 3. Section 42F-104, Hawaii Revised Statutes, is
amended to read as follows:

"§42F-104 Contracts for grants. An appropriation for a
grant shall be disbursed by a contract between the state agency
designated the expending agency for the appropriation by the
legislature, and the recipient of the grant. The contract shall
be effective as of the first day of the fiscal year for which
the funds for the grant are appropriated [; provided that] and
up to one-fourth of the total amount appropriated may be
disbursed prior to the execution of the contract. The total
amount appropriated may be disbursed prior to the execution of a
contract between the department of human services or the
department of health and a recipient of the grant."
SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect on July 1, 2019.

INTRODUCED BY: [Signatures]
Report Title:
Grant in Aid; Department of Human Services; Department of Health

Description:
Requires the Department of Human Services and the Department of Health to disperse grant-in-aid funds to recipient organizations within ninety days of the effective date of the legislation awarding the grant. Allows the Department of Human Services and the Department of Health to disperse the total amount awarded to recipient organizations before contract execution.

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