

JAN 19 2007

A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 SECTION 1. Chapter 36, Hawaii Revised Statutes, is amended
2 by adding a new section to be appropriately designated and to
3 read as follows:

4 "§36- Full disclosure of entities receiving state
5 funding. (a) In this section, unless the context indicates
6 otherwise:

7 "Entity":

- 8 (1) Includes, whether for profit or nonprofit:
- 9 (A) A corporation;
 - 10 (B) An association;
 - 11 (C) A partnership;
 - 12 (D) A limited liability company;
 - 13 (E) A limited liability partnership;
 - 14 (F) A sole proprietorship;
 - 15 (G) Any other legal business entity;
 - 16 (H) Any other grantee or contractor that is not
17 excluded by subparagraph (2) or (3); and
 - 18 (I) Any state or county entity;



1 (2) On and after January 1, 2010, includes any
2 subcontractor or subgrantee; and

3 (3) Does not include:

4 (A) An individual recipient of state assistance; or

5 (B) A state employee.

6 "State award":

7 (1) Means state financial assistance and expenditures
8 that:

9 (A) Include grants, subgrants, loans, awards,
10 cooperative agreements, and other forms of
11 financial assistance;

12 (B) Include contracts, subcontracts, purchase orders,
13 task orders, and delivery orders;

14 (2) Does not include individual transactions below
15 \$25,000; and

16 (3) Before October 1, 2009, does not include credit card
17 transactions.

18 "Searchable website" means a website that allows the public
19 to:

20 (1) Search and aggregate state funding by any element
21 required by subsection (b);



1 (2) Ascertain through a single search the total amount of
2 funding awarded to an entity by a state award as
3 defined in paragraph (1)(A), by fiscal year;

4 (3) Ascertain through a single search the total amount of
5 funding awarded to an entity by a state award as
6 defined in paragraph (1)(B), by fiscal year; and

7 (4) Download data included in paragraph (1) included in
8 the outcome from searches.

9 (b) Not later than January 1, 2009, the department of
10 budget and finance, in accordance with this section, shall
11 ensure the existence and operation of a single searchable
12 website, accessible by the public at no cost to access, that
13 includes for each state award:

14 (1) The name of the entity receiving the award;

15 (2) The amount of the award;

16 (3) Information on the award, including transaction type,
17 funding agency, the North American Industry
18 Classification System code, program source, and an
19 award title descriptive of the purpose of each funding
20 action;

21 (4) The full address of the entity receiving the award and
22 the primary location of performance under the award;



1 (5) A unique identifier of the entity receiving the award
2 and of the parent entity of the recipient, if the
3 entity is owned by another entity; and

4 (6) Any other relevant information specified by the
5 department of budget and finance.

6 The website shall include data for fiscal year 2007-2008
7 and each fiscal year thereafter.

8 The director of finance is authorized to designate one or
9 more state agencies to participate in the development,
10 establishment, operation, and support of the single website. In
11 the initial designation, or in subsequent instructions and
12 guidance, the director may specify the scope of the
13 responsibilities of each such agency.

14 State agencies shall comply with the instructions and
15 guidance issued by the director of finance and shall provide
16 appropriate assistance to the director upon request, so as to
17 assist the director in ensuring the existence and operation of
18 the single website.

19 (c) The website established under this section:

20 (1) Shall provide an opportunity for the public to provide
21 input about the utility of the site and
22 recommendations for improvements;



1 (2) Shall be updated not later than thirty days after the
2 award of any state award requiring a posting; and

3 (3) Shall provide for separate searches for the state
4 awards.

5 (d) Not later than July 1, 2008, the director of finance
6 shall commence a pilot program to:

7 (1) Test the collection and accession of data about
8 subgrants and subcontracts; and

9 (2) Determine how to implement a subaward reporting
10 program across the State, including:

11 (A) A reporting system under which the entity issuing
12 a subgrant or subcontract is responsible for
13 fulfilling the subaward reporting requirement;
14 and

15 (B) A mechanism for collecting and incorporating
16 agency and public feedback on the design and
17 utility of the website.

18 The pilot program shall terminate not later than January 1,
19 2010.

20 Based on the pilot program, not later than January 1, 2010,
21 the director of finance:



1 (1) Shall ensure that data regarding subawards are
2 disclosed in the same manner as data regarding other
3 state awards; and

4 (2) Shall ensure that the method for collecting and
5 distributing data about subawards:

6 (A) Minimizes burdens imposed on state award
7 recipients and subaward recipients;

8 (B) Allows state award recipients and subaward
9 recipients to allocate reasonable costs for the
10 collection and reporting of subaward data as
11 indirect costs; and

12 (C) Establishes cost-effective requirements for
13 collecting subaward data under block grants,
14 formula grants, and other types of assistance to
15 local governments.

16 For subaward recipients that receive state funds through
17 county governments, the director of finance may extend the
18 deadline for ensuring that data regarding such subawards are
19 disclosed in the same manner as data regarding other state
20 awards for a period not to exceed eighteen months, if the
21 director determines that compliance would impose an undue burden
22 on the subaward recipient.



1 (e) Any entity that demonstrates to the director of
2 finance that the gross income, from all sources, for the entity
3 did not exceed \$300,000 in the previous tax year of that entity
4 shall be exempt from the requirement to report subawards under
5 subsection (d), until the director determines that the
6 imposition of such reporting requirements will not cause an
7 undue burden on the entity.

8 (f) Nothing in this section shall prohibit the department
9 of budget and finance from including through the website
10 established under this section access to data that is publicly
11 available in any other state database.

12 (g) The director of finance shall submit to the
13 legislature not later than twenty days prior to the convening of
14 each regular session an annual report regarding the
15 implementation of the website established under this section.

16 Each report shall include:

17 (1) Data regarding the usage and public feedback on the
18 utility of the site (including recommendations for
19 improving data quality and collection);

20 (2) An assessment of the reporting burden placed on state
21 award and subaward recipients; and



1 (3) An explanation of any extension of the subaward
2 reporting deadline, if applicable.

3 The director of finance shall make each report publicly
4 available on the website established under this section.

5 (h) Nothing in this section shall require the disclosure
6 of classified information."

7 SECTION 2. New statutory material is underscored.

8 SECTION 3. This Act shall take effect on July 1, 2007.

9

INTRODUCED BY: *Reshyn H. Baker*



Report Title:

State Funds; Disclosure

Description:

Requires online full disclosure of all entities and organizations receiving state funds.

