
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) As used in this section, unless the context
6 indicates 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 paragraph (2) or (3); and



- 1 (I) Any state or county entity;
- 2 (2) After December 31, 2009, includes any subcontractor or
- 3 subgrantee; and
- 4 (3) Does not include:
- 5 (A) An individual recipient of state assistance; or
- 6 (B) A state employee.

7 "Searchable website" means a website that allows the public
 8 to:

- 9 (1) Search and aggregate state funding by any element
- 10 required by subsection (c);
- 11 (2) Ascertain through a single search, the total amount of
- 12 funding awarded to an entity by a state award as
- 13 defined in paragraph (1)(A), or (1)(B) of the
- 14 definition of state award, by fiscal year; and
- 15 (3) Download data described in paragraph (1) included in
- 16 the outcome from searches.

17 "State award":

- 18 (1) Means state financial assistance and expenditures
- 19 that:
- 20 (A) Include grants, subgrants, loans, awards,
- 21 cooperative agreements, and other forms of
- 22 financial assistance;



1 (B) Include contracts, subcontracts, purchase orders,
2 task orders, and delivery orders;

3 (2) Does not include individual transactions below
4 \$25,000; and

5 (3) Before October 1, 2009, does not include credit card
6 transactions.

7 (b) When a state award is made for the purpose of funding
8 a research project, the recipient entity shall provide a public
9 report on the research. The report shall be made available both
10 in hard-copy form filed with the department of budget and
11 finance and online through the department's website.

12 (c) Not later than January 1, 2009, the department of
13 budget and finance, in accordance with this section, shall
14 develop and operate a searchable website, accessible by, and at
15 no cost to the public, that includes for each state award:

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

17 (2) The amount of the award;

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



- 1 (4) If the award was used to fund a research project, a
2 link to the entity's public report on that project;
- 3 (5) The full address of the entity receiving the award and
4 the primary location of performance under the award;
- 5 (6) A unique identifier of the entity receiving the award
6 and of the parent entity of the recipient, if the
7 entity is owned by another entity; and
- 8 (7) Any other relevant information specified by the
9 department of budget and finance.

10 The searchable website shall include data for fiscal year
11 2007-2008 and each fiscal year thereafter.

12 The director of finance may designate one or more state
13 agencies to participate in the development, establishment,
14 operation, and support of the searchable website. In the
15 initial designation, or in subsequent instructions and guidance,
16 the director may specify the scope of the responsibilities of
17 each designated agency.

18 The designated state agencies shall comply with the
19 instructions and guidance issued by the director of finance and
20 shall provide appropriate assistance to the director upon
21 request to assist the director to develop and operate the
22 searchable website.



- 1 (d) The searchable website established under this section:
- 2 (1) Shall provide an opportunity for the public to provide
- 3 input about the utility of the website and
- 4 recommendations for improvements;
- 5 (2) Shall be updated not later than thirty days after the
- 6 award of any state award requiring a posting; and
- 7 (3) Shall provide for separate searches for the state
- 8 awards.

9 (e) Not later than July 1, 2008, the director of finance
10 shall commence a pilot program to:

- 11 (1) Test the collection and accession of data about
- 12 subgrants and subcontracts; and
- 13 (2) Determine how to implement a subaward reporting
- 14 program across the State, including:
- 15 (A) A reporting system under which the entity issuing
- 16 a subgrant or subcontract is responsible for
- 17 completing a subaward report; and
- 18 (B) A mechanism for collecting and incorporating
- 19 agency and public feedback on the design and
- 20 utility of the website.

21 The pilot program shall terminate not later than January 1,
22 2010.



1 (f) Based on the pilot program, not later than January 1,
2 2010, the director of finance:

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

6 (2) Shall ensure that the method for collecting and
7 distributing subawards data:

8 (A) Minimizes burdens imposed on state award
9 recipients and subaward recipients;

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

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

18 For subaward recipients that receive state funds through
19 county governments, the director of finance may extend the
20 deadline for ensuring that data regarding these subawards are
21 disclosed in the same manner as data regarding other state
22 awards for a period not to exceed eighteen months, if the



1 director determines that compliance would impose an undue burden
2 on the subaward recipient.

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

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

14 (i) The director of finance shall submit to the
15 legislature, not later than twenty days prior to the convening
16 of each regular session, an annual report regarding the
17 implementation of the searchable website established under this
18 section.

19 Each annual report shall include:

20 (1) Data regarding the usage and public feedback on the
21 utility of the website (including recommendations for
22 improving data quality and collection);



- 1 (2) An assessment of the reporting burden placed on state
- 2 award and subaward recipients; and
- 3 (3) An explanation of any extension of the subaward
- 4 reporting deadline, if applicable.

5 The director of finance shall make each report publicly
 6 available on the searchable website established under this
 7 section.

8 (j) Nothing in this section shall require the disclosure
 9 of classified information."

10 SECTION 2. There is appropriated out of the general
 11 revenues of the State of Hawaii the sum of \$, or so much
 12 thereof as may be necessary for fiscal year 2007-2008, and the
 13 same sum, or so much thereof as may be necessary for fiscal year
 14 2008-2009, for establishing a searchable website on state
 15 awards.

16 The sums appropriated shall be expended by the department
 17 of budget and finance for the purposes of this Act.

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2007.



Report Title:

State Funds; Disclosure

Description:

Requires full online disclosure of all entities and organizations receiving state funds. Requires entities receiving state funds for research projects to make a public report of the research available online and to file a hard copy with the department of budget and finance. Appropriates funds to the department of budget and finance. (SD1)

