

EXECUTIVE CHAMBERS

HONOLULU

LINDA LINGLE GOVERNOR

December 29, 2008

The Honorable Colleen Hanabusa, President and Members of the Senate Twenty-Fourth State Legislature State Capitol, Room 409 Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

Act 213, Session Laws of Hawaii (SLH) 2008, amended §76-77 (16), Hawaii Revised Statutes (HRS) to modify a statutory exemption from civil service applicable to the counties of Hawaii, Maui and Kauai by setting a separate (higher) monetary limitation for contract for services with qualified community rehabilitation programs. The act also instructed the Department of Human Resources Development (DHRD) to submit annual reports to the legislature regarding "expenditures of qualified rehabilitation programs and related activities."

Subsection (16) was added to §76-77, HRS, by Act 191, SLH 2007. When the bill was being heard, DHRD submitted testimony requesting that a similar provision be added to §76-16, which pertains to the State. However, the exemption to contract for services was not extended to the State. When House Bill (H.B.) No. 2272 was being heard in the legislature, DHRD submitted testimony recommending that the reporting requirement be deleted from the bill as the statutory provision in question is not applicable to the State. However, the reporting requirement was not deleted. Therefore, this letter is being submitted to the State Senate to fulfill the reporting requirement in Act 213, SLH 2008.

Sincerely,

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Enclosures

c: Honorable Donna Mercado Kim Honorable Dwight Y. Takamine Honorable Colleen Hanabusa Page 2 December 29, 2008

bc: Governor's Office (Attn: Policy)

Lieutenant Governor's Office

Legislative Reference Bureau (Attn: Karen Mau)

Legislative Auditor

Department of Budget and Finance