



## CATHOLIC CHARITIES HAWAII

TO: Senator Jill N. Tokuda, Chair  
Senator Donovan M. Dela Cruz, Vice Chair  
Committee on Ways & Means

FROM: Jerry Rauckhorst, President & CEO

DATE: Friday, February 26, 2016 (9:45 a.m., Room 211)

RE: **SB 3070, , SD1 Relating to Grants**

Catholic Charities Hawai'i (CCH) is a tax exempt, non-profit agency that has been providing social services in Hawai'i for over 60 years. CCH has programs serving elders, children, developmentally disabled, homeless and immigrants. Our mission is to provide services and advocacy for the most vulnerable in Hawai'i.

We appreciate the opportunity to offer comments on SB 3070, SD1, which would establish legislative policies regarding the Grant In Aid process:

- (1) To make appropriations for grants during the regular session of each odd-numbered year for the ensuing fiscal biennium, but still permit the legislature to add new or amend or repeal existing grant appropriations during the regular session of an even-numbered year or a special session*

COMMENT: If this may allow organizations to extend a Grant In Aid with additional funding for a two year period, we strongly support this policy as single year funding often will not allow programs sufficient time to plan ahead.

- (2) To appropriate funds for not more than one grant for each grant recipient during a fiscal biennium;*

COMMENT: This seems to be a reasonable policy that allows GIA funding to be spread across more recipients.

- (3) To place a low priority on requests to fund general and administrative expenses.*

COMMENT: CCH is concerned that this policy does not recognize the overhead costs that a nonprofit will incur when carrying out any successful project or program. **Catholic Charities Hawai'i urges the Senate Committee on Government Operations to amend SB 3070, SD1, to modify the new proposed language for Section 42F to allow for reimbursement of the costs that nonprofits incur when providing critical direct services on behalf of the State and its residents.**



Catholic  
Charities  
USA



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Catholic Charities Hawai'i has depended on Grant In Aid funding for over ten years for our program, Lanakila Multi-Purpose Senior Center. The Center is one of the largest and oldest senior centers in the State, serving hundreds of seniors each month. While successful at providing programs that enable seniors to remain independent and active in the community, the Center has had a volatile funding history and would not have survived to this day without the support of the Hawaii State Legislature through Grant In Aid funding.

- The Center's funding was cut nearly in half in 1996 and has never recovered.
- In 2004, all State funds were eliminated for Lanakila as well as Moiliili Senior Center, leaving the two centers reliant only on Grant In Aid funding to continue.
- A third of the funding for both centers were restored in 2005, but both Centers continue to rely on Grant In Aid funding to keep the centers alive.
- For Lanakila, Grant In Aid funding currently provides another third of the funding needed to operate the Center. The final third of funding is supported through CCH as well as client & donor contributions.

Catholic Charities Hawai'i would like to thank the Hawaii State Legislature for supporting programs that meet the needs of the people of our State through the Grant In Aid process. Thank you for the opportunity to provide comment and for opening up discussion about this process. For more information or questions, please feel free to contact me at 524-4673.

# HAWAII YOUTH SERVICES NETWORK

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Rick Collins, President

Judith F. Clark, Executive  
Director

Big Brothers Big Sisters of  
Hawaii

Bobby Benson Center

Central Oahu Youth Services

Association

Child and Family Service

Coalition for a Drug Free Hawaii

Domestic Violence Action Center

EPIC, Inc.

Family Programs Hawaii

Family Support Hawaii

Hale Kipa, Inc.

Hale 'Opio Kauai, Inc.

Hawaii Student Television

Hui Malama Learning Center

Kokua Kalihi Valley

Life Foundation

Marimed Foundation

Maui Youth and Family Services

P.A.R.E.N.T.S., Inc.

Parents and Children Together  
(PACT)

Planned Parenthood of the  
Great Northwest and  
Hawaiian Islands

Salvation Army Family

Intervention Services

Sex Abuse Treatment Center

Susannah Wesley Community  
Center

The Catalyst Group

Uhane Pohaku Na Moku

O Hawai'i

Waikiki Health

February 23, 2016

To: Senator Jill Tokuda, Chair,  
And members of the Committee on Ways and Means

## CCOMMENTS ON SB 3070 RELATING TO GRANTS

Hawaii Youth Services Network (HYSN), a statewide coalition of youth-serving organizations, is providing comment on SB 3070 Relating to Grants.

HYSN agrees that

- The Legislature should make appropriations for grants during the regular session of odd numbered years for the ensuing fiscal biennium, while allowing for grants in the even numbered years when they address urgent needs.
- No organization should receive more than one grant during a fiscal biennium.

HYSN has some concern about placing a low priority for grant requests that include administrative or operating funds. Every direct service program or project incurs administrative costs, and it is reasonable and necessary to include those costs in legislative grant-in-aid funding. Here are some examples of reasonable administrative charges. Organizations that provide services to vulnerable populations such as young children or persons with disabilities incur risks and must maintain liability insurance. In fact, all state contracts and grants include requirements for maintaining liability insurance, with the State of Hawaii named as additional insured. Fiscal management staffing and an independent audit are needed to assure accurate accounting and appropriate use of state funds. These essential costs should be included in grant-in-aid awards.

Grants should not be awarded solely for the purpose of subsidizing an organization's administrative and operating costs, however, but only as a portion of the costs of operating a program that benefits the people of Hawaii.

Thank you for this opportunity to testify.

Sincerely,



Judith F. Clark, MPH  
Executive Director