

# **FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 2001-2002**

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## FOREWORD

This report was prepared in response to Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1, adopted by the Twenty-first Legislature during the Regular Session of 2001. This report sets forth the Bureau's survey of government programs for fiscal year 2001-2002 in the State that are mandated by the federal government. The Bureau conducted similar surveys in 1995, 1997, and 1998. The previous surveys were published as *Federally Mandated State Programs During the Fiscal Biennium 1993-1995*, Legislative Reference Bureau, Report No. 1, 1995; *Federally Mandated State Programs During Fiscal Year 1997-1998: Operating Funds*, Legislative Reference Bureau, Report No. 1, 1997; and *Federally Mandated State Programs During Fiscal Year 1998-1999: Operating Funds*, Legislative Reference Bureau, Report No. 2, 1998.

We hope that this publication continues to help to provide a better understanding of the complex and difficult issues involving federally mandated programs and their impact on the Hawaii state government.

The Bureau wishes to acknowledge the cooperation and assistance of all of the persons in the state executive agencies who took the time to complete and return the survey needed to prepare this report. Without their total support, this comprehensive report would not have been possible.

Wendell K. Kimura  
Acting Director

October, 2001

## **Fact Sheet**

### **FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 2001-2002**

#### **I. Highlights**

- A. Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1, adopted by the Legislature in the 2001 Regular Session, requested the Bureau to update its survey of federally mandated state programs for fiscal year 2001-2002.
- B. Findings. The Bureau finds that:
1. Twenty-nine per cent of the entire grand total operating budget for fiscal year 2001-2002 is appropriated for federally mandated programs. State funds for these mandated programs comprise 17 per cent of the budget while federal funds for the programs comprise 12 per cent. As divided between the State and the federal governments, the State provides \$1.35 for every \$1.00 of federal funds.
  2. State funds for mandated programs are composed of general funds, special funds, trust funds, interdepartmental transfers, and revolving funds. Federal funds for mandated programs are composed of other federal funds, interdepartmental transfers, and revolving funds.
  3. General funds and federal funds constitute the bulk of funds for all mandated programs. The program areas of the state budget that receive the bulk of federal mandate funds are social services, health, lower education, and employment. Likewise, the departments that receive the bulk of federal mandate funds are the Departments of Human Services, Health, Education, and Labor and Industrial Relations.
  4. The most heavily funded federal mandates in the state budget are IDEA (special education), Medicaid, Personal Responsibility and Work Opportunity Reconciliation Act (welfare), and Unemployment Compensation. Total funding for these mandates makes up about 75 per cent of the funding for all federal mandates in the state budget.
  5. Between fiscal years 1998-1999 and 2001-2002, state funds for mandated programs increased 23 per cent and federal funds for mandated programs increased 33 per cent while the grand total operating budget increased 25 per cent. As a proportion of the grand total operating budget, state funds for mandated programs made up 17 per cent of the budget while federal funds for mandated programs made up 12 per cent of the budget in both fiscal years. Between the State and the federal governments, the State

provided \$1.46 for every \$1.00 of federal funds for mandated programs in fiscal year 1998-1999 whereas in fiscal year 2001-2002 the State provides \$1.35 for every \$1.00 of federal funds for mandated programs.

C. Recommendations

1. The Legislature should consider amending the executive budget law to require the Governor to submit federal mandate information as part of the budget proposals to the Legislature. The requirement will enable the Legislature to receive such information from the administration every fiscal biennium.
2. If the Legislature wishes to free up state funds from federal programs that no longer fit in with state priorities, the Legislature should examine those federal programs that were not reported as federally mandated programs. Alternatively, the Legislature could examine those programs that were reported as federally mandated, but whose sanctions or penalties for noncompliance are not intolerable.

## II. Frequently Asked Questions

1. What is a federal mandate?

Answer: A federal mandate is a direct order, a partial preemption statute, or a grant-in-aid condition from the federal government that imposes direct costs on states and prohibits the use of cost-effective alternatives.

2. Are the federal mandate studies a regular publication of the Bureau?

Answer: No, the studies are issued pursuant to requests from the Legislature. The Bureau has conducted studies pursuant to four separate resolutions adopted since the Regular Session of 1994.

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# Chapter 1

## INTRODUCTION

Senate Concurrent Resolution No. 102, S.D. 1, H.D. 1 (a copy of which is attached as Appendix A), adopted by the Twenty-first Legislature during the Regular Session of 2001, requests the Legislative Reference Bureau to update its survey of federally mandated state programs for fiscal year 2001-2002.

The present survey, like its three predecessors, attempts to estimate the extent to which the state budget is governed by federal mandates. The previous surveys were:

- (1) *Federally Mandated State Programs During the Fiscal Biennium 1993-1995*, Legislative Reference Bureau, Report No. 1, 1995, prepared in response to House Resolution No. 370, H.D. 1, adopted by the House of Representatives of the Seventeenth Legislature during the Regular Session of 1994;
- (2) *Federally Mandated State Programs During Fiscal Year 1997-1998: Operating Funds*, Legislative Reference Bureau, Report No. 1, prepared in response to House Resolution No. 195, adopted by the House of Representatives of the Nineteenth Legislature during the Regular Session of 1997; and
- (3) *Federally Mandated State Programs During Fiscal Year 1998-1999: Operating Funds*, Legislative Reference Bureau, Report No. 2, prepared in response to House Resolution No. 18, adopted by the House of Representatives of the Nineteenth Legislature during the Regular Session of 1998.

The present survey covers state and federal operating funds appropriated under the General Appropriations Act of 2001, Act 259, Session Laws of Hawaii 2001, to implement federally mandated state programs during fiscal year 2001-2002. The survey also includes position ceilings authorized under the act to implement those mandated programs.

Definitions of a state program and a federal mandate are as follows:

- C A “state program”, or “program”, means a program in the state budget act identified by a program identification (“program ID”).
- C A “federal mandate” potentially exists as one or more of the following types of policy instruments used by the federal government in its relationship with the states. All three impose direct costs on states and prohibit the use of cost-effective alternatives. They are:

- (1) The direct order mandate, which is a federal statute, federal administrative rule, or federal court order that directs states to establish a new program, alter an existing one in order to improve the level of services, or raise minimum standards. Alternatively, a direct order may prohibit, halt, or restrict a specific state practice or program. Civil or criminal penalties can be imposed for noncompliance.
- (2) A partial preemption statute, in which the federal government exerts its constitutional authority to preempt a field of regulation and establish minimum national standards. However, subject to federal approval, a state typically may be allowed to regulate the field if the state adopts standards as strict as, or stricter than, the minimum national standards. Thus, existing state laws must be upgraded if they fall below federal standards. In order to encourage states to continue regulating a field or to discourage them from withdrawing, the federal government may employ crossover sanctions.
- (3) Federal grant-in-aid conditions on state spending and administration, provided that the state cannot easily withdraw from the program for the following reasons:
  - (a) Substantial start-up costs have already been expended for the program by the state;
  - (b) The state may have abolished its own program in favor of the federal initiative;
  - (c) The public may have come to rely on the benefits provided by the grant program; or
  - (d) The state's budget may now be heavily dependent on large sums of federal money for the program.

The grant conditions may include:

- (a) The "bait and switch", in which new requirements are added after a program is in effect, service populations expanded or redefined, or existing local practices restricted or prohibited;
- (b) Matching requirements, maintenance-of-effort provisions, and "non-supplant" clauses, which prohibit states from operating a program by decreasing state funds and by substituting federal funds in their place. Program expansion is the federal goal;

## INTRODUCTION

- (c) Crossover sanctions, or the “carrot and stick”, in which the failure to comply with the requirements of one program can result in a reduction or termination of funds from another, separately authorized and separately entered into, program; or
- (d) Crosscutting requirements, which are requirements that are imposed across the board on all or most federal assistance programs.<sup>1</sup>

The Bureau drafted a questionnaire for the offices of the Governor and the Lieutenant Governor and the eighteen executive branch departments.<sup>2</sup> Copies of the questionnaire were sent out with correspondence dated May 2, 2001. The General Appropriations Act of 2001 was approved by the Governor on June 22, 2001. The requested deadline for completed questionnaires was July 31, 2001. (See Appendix B for a copy of the questionnaire.) Responses were received from 19 of the 20 agencies in time for inclusion in the Bureau’s report. No response was received from the Department of Human Resources Development.

The executive branch’s response to the survey is presented in the next chapter.

## Endnotes

1. See *Federally Mandated State Programs During Fiscal Year 1997-1998: Operating Funds*, Report No. 1, 1997, Legislative Reference Bureau, at chapter 1, pages 1-3, which summarizes previous research of the former U.S. Advisory Commission on Intergovernmental Relations (“ACIR”).
2. The offices of the Governor and the Lieutenant Governor are established respectively under Hawaii Const. Art. V, sections 1 and 2. The eighteen departments are established under section 26-4, *Hawaii Rev. Stat.*

## Chapter 2

### FEDERALLY MANDATED STATE PROGRAMS FOR FISCAL YEAR 2001-2002

#### Introduction

State programs with federal mandates for fiscal year 2001-2002 are set out in this chapter. The state programs are presented in the order in which they appear in the state budget act, that is, the General Appropriations Act of 2001, Act 259, Session Laws of Hawaii 2001. Programs of the eighteen departments and the offices of the governor and the lieutenant governor are organized into eleven program areas. Within each program area, the program identification (ID) numbers are arranged in the order in which they are presented in the budget act. Listed under each program are its federal mandates. For each mandate, the operating funds and position ceilings are itemized by their means of financing. Funding figures are expressed in dollar amounts.

The following acronyms and symbol are used with regard to operating funds:

MOF	Means of financing
A	General funds
B	Special funds
N	Other federal funds
R	Private contributions
S	County funds
T	Trust funds
U	Interdepartmental transfers
W	Revolving funds
X	Other funds
*	Position ceiling

The eleven program areas of the state budget are as follows:

- (A) Economic development
- (B) Employment
- (C) Transportation facilities
- (D) Environmental protection
- (E) Health
- (F) Social services
- (G) Formal education
  - Lower education
  - Higher education
- (H) Culture and recreation
- (I) Public safety

- (J) Individual rights
- (K) Government-wide support

The twenty state executive agencies--eighteen departments and the offices of the Governor and the Lieutenant Governor--recognized as expending agencies in the state budget act are as follows:

- (1) Office of the Governor (GOV)
- (2) Office of the Lieutenant Governor (LTG)
- (3) Department of Agriculture (AGR)
- (4) Department of Accounting and General Services (AGS)
- (5) Department of the Attorney General (ATG)
- (6) Department of Budget and Finance (BUF)
- (7) Department of Business, Economic Development, and Tourism (BED)
- (8) Department of Commerce and Consumer Affairs (CCA)
- (9) Department of Defense (DEF)
- (10) Department of Education (EDN)
- (11) Department of Hawaiian Home Lands (HHL)
- (12) Department of Health (HTH)
- (13) Department of Human Resources Development (HRD)
- (14) Department of Human Services (HMS)
- (15) Department of Labor and Industrial Relations (LBR)
- (16) Department of Land and Natural Resources (LNR)
- (17) Department of Public Safety (PSD)
- (18) Department of Taxation (TAX)
- (19) Department of Transportation (TRN)
- (20) University of Hawaii (UOH)

**PROGRAM AREA A: ECONOMIC DEVELOPMENT**

**Departments with Mandates:** Department of Agriculture (“AGR”)

**Programs with Mandates:**

AGR 122 Plant Pest and Disease Control

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	2.25						2.25
\$	74,250						74,250

**The Programs**

**AGR 122 Plant Pest and Disease Control**

**Mandate:** Postentry Quarantine of Plants, Agriculture Risk Protection Act of 2000, 7 U.S.C. section 151 et seq.; 7 C.F.R. Part 319

**Description:** Requires Hawaii importers to obtain a federal postentry permit for certain plants being imported from foreign countries. Due to the lack of federal resources to regulate this new law, the State has agreed to voluntarily inspect and monitor postentry quarantine sites, and to monitor and enforce importer compliance with postentry quarantine permit requirements.

**Sanctions:** If the State does not voluntarily participate in these postentry quarantine activities, Hawaii importers will be unable to import these plants from foreign countries due to the lack of federal resources to conduct these activities.

**Operating funds:** Fiscal Year 2001-2002  
 State 0.25 \*  
 8,250 A  
 Federal 0

**Mandate:** Imported Fire Ant, Agriculture Risk Protection Act of 2000, 7 U.S.C. section 151 et seq.; 7 C.F.R. Part 301

**Description:** The Federal Agriculture Risk Protection Act of 2000, 7 U.S.C. section 151 et seq., 7 C.F.R. Part 301, prohibits state and other political jurisdictions from imposing stricter quarantine requirements than imposed by a federal quarantine. Hawaii’s efforts to impose stricter quarantine requirements on the movement of products from Red Imported Fire Ant (RIFA) quarantined areas (states or counties) is therefore prohibited. As a result, the department is forced to utilize its manpower to do a time consuming one hundred per cent visual inspection of potted plants from infested areas in an effort to prevent the introduction of RIFA into Hawaii.

Sanctions: The United States Department of Agriculture has stated that the State of Hawaii can be legally challenged if the department imposes a requirement that potted plants shipped to Hawaii from RIFA imported areas undergo chemical treatment prior to shipment to Hawaii. Pre-shipment treatment is not required under the federal RIFA quarantine, therefore, it cannot be imposed as a requirement for shipping of potted plants to Hawaii.

Operating funds:	Fiscal Year 2001-2002
State	2.00 *
	66,000 A
Federal	0

**PROGRAM AREA B: EMPLOYMENT**

**Departments with Mandates:** Department of Labor and Industrial Relations (“LBR”), Department of Human Services (“HMS”)

**Programs with Mandates:**

- LBR 111 Workforce Development
- LBR 135 Workforce Development Council
- LBR 143 Occupational Safety & Health
- LBR 171 Unemployment Compensation
- HMS 802 Vocational Rehabilitation
- LBR 901 DLIR-Data Gathering, Research and Analysis

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	58.67		468.43				527.10
\$	5,123,458	166,100,000	56,729,647			1,330,200	229,283,305

**The Programs**

**LBR 111 Placement Services**

**Mandate:** (1) Wagner-Peyser Act of 1933, Public Law 73-30, as amended.  
 (2) Social Security Act of 1935, Public Law 74-271, as amended.

**Description:** Requires the State to provide job search and placement services for job seekers and appropriate recruitment services and special technical services for employers.

**Sanctions:** Loss of funds for the subject program.

**Operating funds:** Fiscal Year 2001-2002

State	0
Federal	107.00 *
	3,253,394 N

**Mandate:** (1) Immigration and Nationality Act of 1952, Public Law No. 82-414;  
 (2) Wagner-Peyser Act of 1933, Public Law No. 73-30, as amended;  
 (3) Immigration Act of 1990, Public Law No. 101-649

**Description:** Requires the State to assist the federal Department of Labor in determining the availability of U.S. workers and the potential adverse effect on wages and working conditions caused by the admission of alien workers. States must also provide prevailing wage determinations for employers.

**Sanctions:** Loss of funds for the subject program.

FEDERALLY MANDATED STATE PROGRAMS: EMPLOYMENT

Operating funds	Fiscal Year 2001-2002
State	0
Federal	60,000 N

Mandate: Workforce Investment Act, August 7, 1998, Public Law 105-220

Description: Under this grant-in-aid program, federal categorical funds are allotted to the states for developing locally administered job training programs to service persons who are low-income, chronically unemployed or underemployed, or terminated or laid off from their jobs due to economic conditions.

Sanctions: Loss of grant funds for the subject program.

Operating funds:	Fiscal Year 2001-2002
State	2.00 *
	20,000 A
Federal	10.70 *
	21,749,230 N

Mandate: Older Americans Act of 1965, Public Law 89-73, Title V, as amended by the Older Americans Act Amendments of 2000, Public Law 106-501. The Senior Community Services Employment Program.

Description: Under this grant-in-aid program, federal categorical funds are allotted to the State to develop subsidized employment programs for low-income older individuals, aged 55 and older.

Sanctions: Loss of grant funds for the subject program.

Operating funds:	Fiscal Year 2001-2002
State	8,000 A
Federal	1.00 *
	1,874,086 N

Mandate: Welfare-to-Work Grants, Title IV, Part A, Social Security Act, Temporary Assistance to Needy Families (“TANF”) Block Grant, as amended by the Balanced Budget Act of 1997.

Description: Federal Welfare-to-Work grants are awarded to states to carry out employment activities and related services for recipients of TANF to assist them in becoming economically self-sufficient. The program targets TANF recipients who are the hardest-to-employ. Services and activities under this grant must be closely coordinated with the resources available under the TANF block grants administered by the state Department of Human Services.

Sanctions: Loss of grant funds for the program.

Operating funds:	Fiscal Year 2001-2002
State	0

Federal 4,718,609 N (carry forward)

Total LBR 111

Operating funds:	Fiscal Year 2001-2002
State	2.00 *
	28,000 A
Federal	118.70 *
	31,655,319 N

**LBR 135 Workforce Development Council**

Mandate: Workforce Investment Act of 1998 (“WIA”), Public Law 105-220

Description: Requires the State to have a Governor’s state policy council composed of private and public sector members representing groups specified by the law. The council is responsible for the required WIA 5-year plan, statewide program oversight, and certain Governor’s program responsibilities such as program evaluation, incentives, and statewide accountability measures.

Sanctions: Loss of all WIA funds in the state.

Operating funds:	Fiscal Year 2001-2002
State	3.00 *
	152,950 A
Federal	303,555 N

2.00 temporary NTE federal positions.

Mandate: Section 118 entity, America’s Career Resource Network (“ACRN”), Carl Perkins Vocational and Technical Education Act of 1998, P.L. 105-332

Description: Requires the Governor and the State Board for Vocational and Technical Education (the University of Hawaii Board of Regents) to designate the section 118 entity to carry out Hawaii’s Career Resource Network Program. The Workforce Development Council was designated the section 118 entity in Act 72, Session Laws of Hawaii 1999 and is incorporated in the Council’s responsibilities in chapter 202, Hawaii Revised Statutes.

Sanctions: Loss of funds for the ACRN program.

Operating funds:	Fiscal Year 2001-2002
State	0
Federal	109,555 N

1.00 temporary NTE federal positions.

Total LBR 135

Operating funds:	Fiscal Year 2001-2002
State	3.00 *

Federal 152,950 A  
 413,110 N

3.00 temporary NTE federal positions.

**LBR 143 Occupational Safety & Health**

Mandate: Occupational Safety and Health Act (“OSHA”) of 1970, Public Law 91-596, as amended. 29 Code of Federal Regulations Sections 1902, 1903, 1904, and 1908.

Description: (1) Requires states to be as effective as the federal government in assuring so far as possible safe and healthful working conditions for every working man and woman in the nation. Requires adequate staffing (benchmark staffing), prompt standards promulgation, appropriate compulsory process, whistleblower protections, procedures to ensure employee participation in safety and health, and effective sanctions against any offending entities among employers, building/facility owners, and manufacturers or distributors of hazardous chemicals. Also requires states to develop five-year strategic plans in accordance with the Government Performance and Results Act, and participate in the Integrated Management Information System (“IMIS”) and its related requirements such as Clinger-Cohen, ITMRA, etc.

(2) Requires states to provide on-site consultation services to small, high-hazard employers, which includes identification of hazards, evaluation of safety and health programs and timely reports to the employer. Also included is affording employee participation rights and the strategic plan, IMIS, and related monitoring and assurances.

Sanctions: (1) Federal preemption of the State’s regulatory powers in the areas of occupational safety and health, even in the marginal areas. No other governmental entity would be permitted to regulate areas covered under OSHA jurisdiction, including laws passed by county councils. The State would be decertified by the Occupational Safety and Health Administration, and the federal act would be enforced by federal inspectors. Federal funding would be lost. Hawaii would lose the opportunity to provide input into OSHA, or modify OSHA rules to fit Hawaii’s businesses and industries. Penalties collected from Hawaii employers would be deposited into the U.S. Treasury instead of a special fund, which pays for training and outreach for Hawaii’s employers.

(2) Unknown. Occupational Safety and Health Compliance Assistance Act of 1998 which amended the OSHA to require states to provide consultation services does not specify the sanctions. The law only requires that state employees be used to provide the service.

Operating funds: Fiscal Year 2001-2002  
 State 26.00 \*  
 1,024,518 A  
 500,000 B

Federal 26.00 \*  
1,690,856 N

**LBR 171 Unemployment Compensation**

Mandate: Social Security Act of 1935, Title III, as amended.

Description: Grants from the Federal Unemployment Fund are available to the states for the necessary costs of administering unemployment compensation programs, processing benefit payments to eligible jobless workers and collecting payroll taxes from employers.

Title II specifies the conditions that must be enacted into state law before the Secretary of Labor can certify the payment of administrative funds.

Sanctions: Loss of administrative funds to operate the state unemployment insurance program. Without the federal grants, state general funds would be needed to maintain the program.

Operating funds: Fiscal Year 2001-2002  
State 165,600,000 B  
Federal 231.90 \*  
13,240,597 N

**HMS 802 Vocational Rehabilitation**

Mandate: Rehabilitation Act of 1973, as amended (Public Law 105-220).

Description: Provides for the rehabilitation needs of eligible individuals with disabilities, consistent with their strengths, resources, priorities, concerns, abilities, capabilities, interests and informed choice, enabling them to maximize employment, economic self-sufficiency, independence, and inclusion and integration into society.

Persons with physical, mental, and emotional impairments that result in substantial barriers to employment who require services to become employed are eligible. This is a direct mandate. The state-federal matching formula is 21.3% - 78.7%.

Sanctions: Full participation requires the availability of adequate state funds to match all available federal funds. A shortfall in state funds will cause a corresponding shortfall of federal funds. Non-compliance (for example, failure to maintain the level of state expenditure) would result in loss of some federal funds. In extreme cases of non-compliance (for example, refusal to submit the required state plan) the result may be the loss of all federal funds.

Operating funds: Fiscal Year 2001-2002  
State 26.17 \*  
3,832,490 A  
Federal 90.33 \*

9,644,265 N  
1,330,200 W

**LBR 901 DLIR-Data Gathering, Research and Analysis**

Mandate: Occupational Safety and Health Act of 1970, Public Law 91-596, as amended. 29 Code of Federal Regulations (“CFR”) Section 1902.3.

Description: Section 18(c)(8) of the Act and 29 CFR 1902.3(1) require states with approved state plans to provide statistical data at the state level for state plan evaluation. Participation in the Bureau of Labor Statistics Occupational Safety and Health Statistical program or approved alternative is a condition for continued State plan approval.

Sanctions: Failure to produce the required reports could constitute grounds for plan withdrawal action and the loss of federal matching funds. This could also impact federal matching funds for LBR 143.

Operating funds:	Fiscal Year 2001-2002
State	1.50 *
	85,500 A
Federal	1.50 *
	85,500 N

**PROGRAM AREA C: TRANSPORTATION FACILITIES**

**Departments with Mandates:** Department of Transportation (“TRN”)

**Programs with Mandates:**

- TRN 501 Oahu Highways
- TRN 511 Hawaii Highways
- TRN 531 Maui Highways
- TRN 541 Molokai Highways
- TRN 551 Lanai Highways
- TRN 561 Kauai Highways
- TRN 595 Highways Administration
- TRN 597 Highway Safety

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*		39.30	1.50				40.80
\$		3,215,168	1,996,206				5,211,374

**The Programs**

- TRN 501 Oahu Highways**
- TRN 511 Hawaii Highways**
- TRN 531 Maui Highways**
- TRN 541 Molokai Highways**
- TRN 551 Lanai Highways**
- TRN 561 Kauai Highways**

Mandate: National Bridge Inventory System

Description: Requires the inspection of bridges for defects.

Sanctions: Withholding of federal funds.

Operating funds: Fiscal Year 2001-2002

State	4.80	*
Federal	2,617,000	B
		0

**TRN 595 Highways Administration**

Mandate: National Bridge Inventory System

Description: Requires inspection of bridges for defects.

FEDERALLY MANDATED STATE PROGRAMS: TRANSPORTATION FACILITIES

Sanctions:	Withholding of federal funds.
Operating funds:	Fiscal Year 2001-2002
State	0
Federal	370,000 N
Mandate:	Transportation Equity Act for the 21st Century. Formerly, the Intermodal Surface Transportation Efficiency Act of 1991.
Description:	Each state receiving an apportionment under 23 United States Code Section 104(b)(2) and (3) must use as much of those funds as may be necessary to establish within its transportation department a position of bicycle and pedestrian coordinator. The coordinator promotes and facilitates the increased use of nonmotorized modes of transportation, developing facilities for pedestrian and bicyclist use and holding public education and promotional and safety programs on the use of those facilities.
Sanctions:	Withholding of federal funds for highway construction and related projects, if the coordinator position is not established.
Operating funds:	Fiscal Year 2001-2002
State	1.00 *
	38,628 B
Federal	0
Mandate:	Highway Safety Act of 1973, Public Law No. 93-87, Section 203, as amended; 23 United States Code Sections 105(f), 152, 315, and 402; 49 Code of Federal Regulations Section 1.48.
Description:	Requires states to develop, implement, and maintain a highway safety improvement program. The overall objective is to reduce the number and severity of highway accidents, and the potential for accidents to occur.
Sanctions:	Loss of 10% of the highway funds that would otherwise have been appointed to the State during the next fiscal year, for failure to certify enforcement of the laws.
Operating funds:	Fiscal Year 2001-2002
State	2.00 *
	95,844 B
Federal	223,636 N
Mandate:	Federal Transit Administration, Public Law 103-272, 49 United States Code, Sections 5303/5313, Metropolitan Planning and State Planning and Research Program.
Description:	Funds are expended by the Oahu Metropolitan Planning Organization to conduct metropolitan planning and state planning and research projects.
Sanctions:	Withholding of funds.

Operating funds:	Fiscal Year 2001-2002
State	129,196 B
Federal	1,033,570 N

Total TRN 595	
Operating funds:	Fiscal Year 2001-2002
State	3.00 *
	263,668 B
Federal	1,627,206 N

**TRN 597 Highway Safety**

Mandate: Motor Carrier Safety Act, 23 United States Code Section 127 (a), (b), and (d), and 49 United States Code app 2311(d).

Description: Requires states to enforce vehicle size and weight laws on federal aid highways. Requires annual certifications by the State.

Sanctions: Failure to certify, or inadequate enforcement of all state laws respecting maximum vehicle size and weights on federal aid highways notwithstanding certification, will result in a ten per cent reduction in the next fiscal year of the amount which would otherwise be apportioned to the State.

Operating funds:	Fiscal Year 2001-2002
State	29.00 *
	305,000 B
Federal	0

Mandate: State and Community Highway Safety Program.

Description: Requires the State to implement a highway safety program in conformance with federal guidelines. States are given annual grants to implement the program.

Sanctions: Withholding of federal highway funds. Five per cent the first year, ten per cent each subsequent year.

Operating funds:	Fiscal Year 2001-2002
State	2.50 *
	29,500 B
Federal	1.50 *
	369,000 N

Total TRN 597	
Operating funds:	Fiscal Year 2001-2002
State	31.50 *
	334,500 B
Federal	1.50 *
	369,000 N

**PROGRAM AREA D: ENVIRONMENTAL PROTECTION**

**Departments with Mandates:** Department of Health (“HTH”), Department of Agriculture (“AGR”), Department of Land and Natural Resources (“LNR”)

**Programs with Mandates:**

HTH 840 Environmental Management  
 AGR 846 Pesticides  
 LNR 402 Forests and Wildlife Resources  
 HTH 849 Environmental Health Administration

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	81.00	50.00	55.60			65.20	251.80
\$	3,956,285	8,004,481	8,064,850			100,414,522	120,440,138

**The Programs**

**HTH 840 Environmental Management**

Mandate: Clean Air Mandates

Federal Air Quality Act, Public Law 90-148, Nov. 21, 1967, 42 United States Code Sections 7401 et seq., as amended by the Clean Air Act Amendments of 1970, Public Law 91-604, Dec. 31, 1970, and subsequent amendments.

Description: Mandates the State to develop and implement an air pollution control program. Delegates to the State the authorization to administer specific federal air programs and to permit, monitor, and enforce applicable sources accordingly.

Sanctions: Withholding of federal air grants and highway funds, causing a reduction of federally funded staff positions and highway projects. Noncompliance will also require the U.S. Environmental Protection Agency to establish and administer a federal permits, monitoring, and enforcement program supported by a permit fee program. Unless the federal air program is based in Hawaii, affected industries should expect long delays for any permitting activities if the program is administered through the San Francisco regional office.

Operating funds: Fiscal Year 2001-2002  
 State 5.00 \*  
 222,630 A  
 41.00 \*  
 3,163,205 B  
 Federal 2.00 \*

807,237 N

Mandate: Clean Water Mandate

Federal Water Pollution Control Act (commonly referred to as the Clean Water Act) of 1972, as amended by the Water Quality Act of 1987.

Description: Delegates to the states the authority to issue permits for the National Pollutant Discharge Elimination System (“NPDES”). Grant assistance is provided. The State was delegated NPDES permitting authority, in November 1974, for point sources of pollutants, and, in August 1992, for storm water and construction-related discharges produced by industrial activities and municipal separate storm water systems. The State also issues water quality certifications pursuant to Section 401.

Sanctions: Rescission, or decertification, of the State’s NPDES authority. Enforcement and permitting authority would then need to be assumed by the Environmental Protection Agency. Federal funds would be withheld, causing a cutback to the State’s federally funded staff positions. In addition, the secondary waivers for the Sand Island and Honouliuli wastewater treatment facilities of the City and County of Honolulu could be withdrawn, leaving the State with the task of upgrading those facilities at a cost of over \$250 million, exclusive of additional annual costs for operations and maintenance.

Operating funds:	Fiscal Year 2001-2002
State	21.00 *
	1,040,823 A
Federal	14.00 *
	2,460,027 N
	2.00 *
	264,867 W

Mandate: Safe Drinking Water Mandate

Safe Drinking Water Act of 1974, Public Law 93-523, as amended in particular by the Safe Drinking Water Act Amendments of 1986, Public Law 99-339 and the Safe Drinking Water Act Amendments of 1996, Public Law 104-182, the Lead Contamination Control Act of 1988, and 40 Code of Federal Regulations, Parts 141 and 142.

Description: In order to receive federal grants from the Environmental Protection Agency (“EPA”) and exercise primary enforcement authority over drinking water protection, states must establish and maintain a safe drinking water program at least as stringent as the federal program as well as meet all additional primary requirements which are added each time a regulation is revised or a new regulation is promulgated. Once a state has established such a program, the EPA can delegate primary enforcement authority (primacy) over the state’s public water systems. Program activities include: surveillance of water systems, monitoring of drinking water quality, technical assistance, administration of an operator certification program, conduct of a low-interest loan program, violation

citation, and enforcement, technical assistance, public outreach, and source water assessment.

Sanctions: Failure to meet EPA requirements will cause the recall of primacy delegation, and the state will lose the federal funding from both the federal public water supply grant funds as well as the federal capitalization grant (revolving loan fund).

Operating funds:	Fiscal Year 2001-2002
State	12.00 *
	617,827 A
Federal	8.00 *
	832,834 N
	15.00 *
	32,950,775 W

Mandate: Underground Injection Control Mandate

Safe Drinking Water Act of 1974, Public Law 93-523, as amended in 1986 and 1996. 40 Code of Federal Regulations Parts 124, 144, 145, 146, and 148.

Description: The State is acquiring the primary enforcement delegation over the protection of existing and potential underground sources of drinking water through the control of subsurface injection of waste materials into disposal (injection) wells. This is accomplished through the administration and enforcement of a permitting program for facilities employing underground injection wells. The Environmental Protection Agency (“EPA”) will have oversight responsibilities.

Sanctions: An EPA override of the State’s administration of permits, compliance monitoring and enforcement would result in loss of the state-preferred waste discharge standards and state self-determination.

Operating funds:	Fiscal Year 2001-2002
State	0
Federal	4.00 *
	208,888 W

Mandate: Solid and Hazardous Waste Mandate

- (1) Resource Conservation and Recovery Act (“RCRA”) of 1976, Public Law 94-580, Subtitles C and I; and the Hazardous and Solid Waste Amendments of 1984, Public Law 98-616.
- (2) Superfund Amendments and Reauthorization Act (“SARA”) of 1986, Public Law 99-499, as amended.

Description: States are required to administer the following federal regulations under the Acts:

- (1) Under Subtitle C of the RCRA, the hazardous waste management system regulations, 40 Code of Federal Regulations Parts 260-266, 270, 271, and 279;

- (2) Under Subtitle I of the RCRA, the underground storage tank program regulations, 40 Code of Federal Regulations Parts 280 and 281, subtitles A through D, and G; and
- (3) Under SARA, the regulations on leaking underground storage tanks, 40 Code of Federal Regulations Parts 280 and 281, subtitles E, F, and G. Grants are provided.

Sanctions: Loss of grant funding, and a reduction in federally funded staff positions. Delays could be sustained while obtaining a fully delegated program from the federal government. Management costs for solid waste facilities would rise.

Operating funds:	Fiscal Year 2001-2002	
State	5.00	*
	225,939	A
	9.00	*
	4,841,276	B
	10.00	*
	467,625	W
Federal	15.00	*
	1,541,044	N

Mandate: Wastewater Mandate

Federal Water Pollution Control Act (commonly referred to as the Clean Water Act), June 30, 1948, ch. 758, 62 Statutes at Large 1155, as amended by the Water Quality Act of 1987, Public Law 100-4, Title VI.

Description: The state revolving fund program is more of a grant-in-aid program where grants are given by U.S. Environmental Protection Agency to each state to capitalize a revolving fund. States can provide low interest rate loans or other financial assistance to each municipality for the construction of wastewater facilities. States have the financial responsibility to administer the funds in perpetuity. States must manage the loan portfolio, approve planning documents, and design plans and specifications.

Sanctions: Reimbursement or loss of federal capitalization grants for the state revolving fund.

Operating funds:	Fiscal Year 2001-2002	
State	11.00	*
	540,547	A
Federal	0.60	*
	125,854	N
	20.20	*
	63,000,000	W

Total HTH 840		
Operating funds:	Fiscal Year 2001-2002	
State	54.00	*
	2,647,756	A
	50.00	*

	8,004,481	B
	10.00	*
	467,625	W
Federal	39.60	*
	5,766,996	N
	41.20	*
	96,424,530	W

**AGR 846 Pesticides**

Mandate: Federal Insecticide, Fungicide, and Rodenticide Act, Oct. 21, 1972, Public Law 92-516, as amended; 7 United States Code Section 136. 40 Code of Federal Regulations Parts 150-180.

Description: Federal-state agreements require states to regulate the distribution and use of pesticides, test the competency of restricted-use pesticide applicators, and educate and monitor pesticide distributors and applicators. The Act is intended to ensure the efficient and safe use of pesticides in order to minimize any adverse effects on the environment. This mandate involves federal preemption of the State's powers of regulation.

Sanctions: The State will have to relinquish its powers to set priorities, service constituents, and respond to complaints. In place of the State, the Environmental Protection Agency will be required to step in and carry out in Hawaii a federal pesticides program, initiating federal applicator certification and enforcement programs. On the whole, state implementation of federal program activities provides greater flexibility at meeting state needs.

Operating funds:	Fiscal Year 2001-2002
State	16.00 *
	642,626 A
	4.00 *
	650,751 W
Federal	350,000 N

**LNR 402 Forests and Wildlife Resources**

Mandate: Endangered Species Act of 1973, Public Law 93-205, as amended; 16 United States Code Sections 1531-1543.

Description: Authorizes the Fish and Wildlife Service to enter into a cooperative agreement with any state which establishes and maintains an adequate and active program for the conservation of endangered species. Cooperative agreement requires the State to maintain an adequate and active endangered species conservation program. Federal assistance is provided, some in the form of a grant-in-aid. Grant funds are made available through an annual competitive award process based on need and merit. Recent grant awards to the State are sizable and support a major portion of the Division's endangered species protection and recovery program, including funding for federally supported positions.

Sanctions: Loss of up to \$1,000,000 in federal funds for non-compliance.

Operating funds: Fiscal Year 2001-2002  
 State 200,000 A  
 Federal 600,000 N

**HTH 849 Environmental Health Administration**

Mandate: (1) Total Maximum Daily Load (“TMDL”) Program  
 [Clean Water Act (“CWA”), Section 303(d); 40 CFR 130.7];  
 (2) Water Quality Standards Program  
 [CWA Section 303(a), (b), (c); 40 CFR 130.3]  
 (3) Continuing Planning Process  
 [CWA Section 303(e); 40 CFR 130.5]  
 (4) Water Quality Management Plans  
 [CWA Section 208; 40 CFR 130.6]

Description: (1) Determine allowable pollutant loads for state surface waters; loads require Environmental Protection Agency (“EPA”) approval; state then provides funding and guidance to communities for reduction of excess loads. Program deadlines exist; court-ordered schedule may be imposed on the state pending outcome of a lawsuit against the EPA claiming unreasonably slow progress. The outcome of this lawsuit will affect how the Department of Health manages the TMDL program.  
 (2) Maintain and update, as needed, Hawaii Administrative Rules, Chapter 11-54, Water Quality Standards; each state is required by the CWA to develop and maintain enforceable water quality standards for water pollution control purposes. Requires updates once per three years.  
 (3) Continuing Planning Process--is a document that describes how the Department of Health, Environmental Health Administration, administers the CWA in Hawaii. Requires updates once per three years.  
 (4) CSW 208 WQM Plans--These are county-level plans, revision of which must be supervised by the State.

Sanctions: If the State does not comply, the EPA may withhold federal funds and/or preempt state regulatory powers to ensure that federal requirements are adequately met.

Operating funds: Fiscal Year 2001-2002  
 State 3.00 \*  
 135,202 A  
 Federal 5.00 \*  
 438,571 N

Mandate: (1) Comprehensive Emergency Response, Compensation and Liability Act of 1980 (“CERCLA”), as amended, including the Superfund Amendments and Reauthorization Act of 1986 (“SARA”), the Emergency Planning and Community Right-to-Know Act of 1986 (“EPCRA”);

(2) Oil Pollution Act of 1990 (“OPA 90”).

Description: In order to receive federal grants from the Environmental Protection Agency (“EPA”) and retain primary enforcement authority, states must establish and maintain an environmental protection program at least as stringent as the federal program with regard to dealing with releases or threats of releases of hazardous substances, pollutants or contaminants including oil.

Sanctions: Recall of primacy delegation and loss of EPA grant funds for hazard evaluation and emergency response.

Operating funds:	Fiscal Year 2001-2002
State	8.00 *
	330,691 A
	10.00 *
	2,871,616 W
Federal	11.00 *
	909,283 N

Total HTH 849	
Operating funds:	Fiscal Year 2001-2002
State	11.00 *
	465,893 A
	10.00 *
	2,871,616 W
Federal	16.00 *
	1,347,854 N

**PROGRAM AREA E: HEALTH**

**Departments with Mandates:** Department of Health (“HTH”)

**Programs with Mandates:**

- HTH 101 Tuberculosis/Hansen’s Disease Control
- HTH 111 Hansen’s Disease Institutional Services
- HTH 121 STD/AIDS Prevention Services
- HTH 131 Epidemiology Services
- HTH 530 Children with Special Health Needs
- HTH 550 Maternal and Child Health Services
- HTH 570 Community Health Nursing
- HTH 595 Health Resources Administration
- HTH 420 Adult Mental Health - Outpatient
- HTH 430 Adult Mental Health - Inpatient
- HTH 440 Alcohol and Drug Abuse
- HTH 460 Child and Adolescent Mental Health
- HTH 495 Behavioral Health Services Administration
- HTH 610 Environmental Health Services
- HTH 905 Policy Development & Advocacy for Developmental Disabilities

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	1,401.00	3.00	119.00		1.00		1,524.00
\$	233,771,577	11,786,768	32,027,838		2,500,000		280,086,183

**The Programs**

**HTH 101 Tuberculosis Control**

**Mandate:** Public Health Services Act, July 1, 1944, ch. 373, 58 Statutes at Large 682, as amended, Section 317, Tuberculosis Control Project.

**Description:** The intended purpose of the grant is to reduce tuberculosis in Hawaii through effective prevention and control, primarily through outreach activities in population groups characterized by a high incidence and likelihood of non-compliant behavior.

**Sanctions:** None.

**Operating funds:** Fiscal Year 2001-2002

State	33.00	*
	2,186,073	A
Federal	2.00	*
	1,210,938	N

**HTH 111 Hansen’s Disease Services**

Mandate: Public Law 411, June 24, 1954, as amended by the Health Services Amendments of 1985, Public Law 99-117.

Description: The intended purpose is the care and treatment of persons afflicted with Hansen’s disease as well as the care and treatment of former institutionalized patients at Kalaupapa.

Sanctions: Exposure to litigation, due to the unchecked spread of disease. Loss of federal reimbursement funds.

Operating funds:	Fiscal Year 2001-2002		
State	71.00	*	
	4,326,362	A	
Federal	3.00	*	
	695,669	N	

\$2,045,000 is reimbursed to the State for the care and treatment of Hansen’s disease patients for after the fact State expenditures.

**HTH 121 STD/AIDS Prevention Services**

- Mandate:
- (1) HIV Prevention Grant, Section 301(a) of the Public Health Services Act;
  - (2) Sexually Transmitted Disease Accelerated Prevention Campaign, Section 318(A, B, C) of the Public Health Services Act; 42 Code of Federal Regulations Part 51B, Subpart A/D;
  - (3) AIDS Surveillance Grant, Sections 301(A), 311, 317(K)(3), Public Health Services Act;
  - (4) Title II, HIV CARE Grant, Public Law 101-381.

Description: Federal grant-in-aid. Public has come to rely on the benefits provided by the funds.

Sanctions: The federal government can withhold federal funds that the Department of Health receives for Title II, HIV CARE Grant . Pursuant to section 2617, State Application “4.(E)”:

*The State will maintain HIV-related activities at a level that is equal to not less than the level of such expenditures by the state for the one year period preceeding the fiscal year for which the State is applying to receive a grant under this part.*

Operating funds:	Fiscal Year 2001-2002		
State	15.00	*	
	5,343,236	A	
Federal	4.50	*	
	4,672,303	N	

**HTH 131      Epidemiology Services**

Mandate:                      Title XIX, Section 1928 of the Social Security Act, as amended in the Omnibus Budget Reconciliation Act of 1993, Public Health Services Act, Section 13631.

Description:                Establishes a new entitlement program that is a required part of each state’s Medicaid Plan. Under this program, states are entitled to receive from the federal government sufficient vaccine to provide fully for a limited population of children (*i.e.*, Medicaid-eligible, uninsured, and Native American, and children receiving immunizations at federally qualified health centers or rural health clinics). In turn, states must make this free vaccine available to both (1) all public and private health care providers who are authorized to administer vaccines under the laws of the State, who are willing to participate in the program, and who satisfy the Secretary’s requirements, and to (2) all children who seek such vaccine through a willing health care provider. No charge may be made for the vaccines, either by the State or by the providers, although providers may charge a limited fee for the administration of the vaccine.

Grant-in-aid conditions are focused on program planning and implementation via provider recruitment, vaccine ordering, vaccine distribution, vaccine/program accountability, program evaluation, and identification and investigation of reports on vaccine fraud and abuse.

Sanctions:                    Withholding of federal funds if the State does not comply with the mandate.

Operating funds:	Fiscal Year 2001-2002
State	0
Federal	22.00   *
	1,627,944   N

**HTH 530      Children with Special Health Needs Services**

Mandate:                      Title V, Maternal and Child Health Services Block Grant, Public Law 97-35, Social Security Act; 45 Code of Federal Regulations 96.

Description:                This block grant enables each state to provide and to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services, population-based individual services, and core public health infrastructure building services.

Sanctions:                    Loss of funding.

Operating funds:	Fiscal Year 2001-2002
State	10.50   *
	723,306   A
	3.00   *
	615,059   B
Federal	14.00   *
	1,151,929   N

FEDERALLY MANDATED STATE PROGRAMS: HEALTH

Mandate: Individuals with Disabilities Education Act, Public Law 105-17, Part C; 34 Code of Federal Regulations Part 303; also, the Felix Consent Decree, dated October 25, 1994. Early intervention services for infants and toddlers.

Description: This direct federal mandate provides equal protection, assuring civil rights for infants and toddlers with special needs to receive the services to which they are entitled.

Sanctions: Loss of funds under Part C of IDEA. Loss of the opportunity to capture federal matching funds. Imposes fines for noncompliance. Assume control over state agencies which provide these services.

Operating funds:	Fiscal Year 2001-2002		
State	94.50	*	
	7,743,899	A	
Federal	20.00	*	
	2,499,498	N	

Total HTH 530			
Operating Funds	Fiscal Year 2001-2002		
State	105.00	*	
	8,467,205	A	
	3.00	*	
	615,059	B	
Federal	34.00	*	
	3,651,427	N	

**HTH 550 Maternal and Child Health Services**

Mandate: Title X, Public Law 91-572, Public Health Services Act; Population Research and Voluntary Family Planning Programs, Section 1001, 42 Code of Federal Regulations Part 59, Subpart A.

Description: This grant enables each state to establish and provide voluntary family planning (“FP”) services that assure a broad range of acceptable and effective FP methods and services in order to provide individuals the information and means to exercise personal choice in determining the number and spacing of the children. The grant provides direct health care services to uninsured women and men through a network of private clinics statewide, population-based individual services, community health FP education and outreach services, enabling services, and core public health infrastructure building services.

Sanctions: Loss of funding.

Operating funds:	Fiscal Year 2001-2002		
State	1.00	*	
	156,172	A	
Federal	4.50	*	
	1,440,444	N	

Mandate: Title V, Maternal and Child Health Services Block Grant, Public Law 97-35, Social Security Act; 45 Code of Federal Regulations 96.

Description: This block grant enables each state to provide and to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services. The grant provides direct health care services, enabling services, population-based individual services, and core public health infrastructure building services.

Sanctions: Loss of funding.

Operating funds: Fiscal Year 2001-2002

State	19.00	*
	23,571,599	A
	300,000	B
Federal	23.50	*
	4,608,280	N
	1.00	*
	250,000	U

Total HTH 550

Operating funds: Fiscal Year 2001-2002

State	20.00	*
	23,727,771	A
	300,000	B
Federal	28.00	*
	6,048,724	N
	1.00	*
	250,000	U

**HTH 570 Community Health Nursing**

Mandate: Education for All Handicapped Children Act of 1975, Public Law 94-142; reauthorized as the Individuals with Disabilities Education Act (“IDEA”), October 30, 1990, Public Law 101-476, as amended. Rehabilitation Act of 1973, Public Law 93-112, Section 504, as amended.

Description: Requires states to provide to children with disabilities, three to twenty years of age, with access to a free and appropriate public education, consisting of special education and “related services” in the least restrictive environment. One of the related services is the provision of skilled nursing care to children with disabilities. The skilled medical treatments, required by children with disabilities in the Department of Education, are provided by licensed nursing personnel under the Public Health Nursing Branch.

Sanctions: Exposure to litigation.

Operating funds: Fiscal Year 2001-2002

State	24.00	*
	1,147,106	A

Federal 0

**HTH 595 Health Resources Administration**

Mandate: Title V, Maternal and Child Health Services Block Grant, Public Law 97-35, Social Security Act; 45 Code of Federal Regulations 96.

Description: This block grant enables each state to provide and to assure mothers and children (in particular those with low income or with limited availability of health services) access to quality maternal and child health services. The grant provides direct health care services, enabling services, population-based individual services, and core public health infrastructure building services.

Sanctions: Loss of funding.

Operating funds:	Fiscal Year 2001-2002		
State	15.00	*	
	2,632,567	A	
Federal	6.00	*	
	774,977	N	

**HTH 420 Adult Mental Health - Outpatient**

Mandate: *United States v. Hawaii*, Civil No. 91-00137 (DAE) (D. Hawaii)

- (1) Settlement Agreement with the United States Department of Justice, September 19, 1991;
- (2) Stipulation and Order with the United States Department of Justice, January 19, 1995;
- (3) Stipulation and Order with the United States Department of Justice, November 15, 1995;
- (4) Stipulation and Order with the United States Department of Justice, June 28, 1996;
- (5) Stipulation and Order with the United States Department of Justice, February 13, 1998.

Description: Requires the State to ensure that conditions of confinement at the Hawaii State Hospital meet constitutional and United States Department of Justice standards. Also requires the State to enhance community-based resources for individuals discharged or diverted from Hawaii State Hospital so that they may be appropriately served in the community.

Sanctions: Contempt order, fines, or the appointment of a special master or receiver.

Operating funds:	Fiscal Year 2001-2002		
State	223.00	*	
	44,012,756	A	
	2,507,430	B	
Federal	1,178,900	N	

**HTH 430      Adult Mental Health - Inpatient**

Mandate:                    *United States v. Hawaii*, Civil No. 91-00137 (DAE) (D. Hawaii)

- (1)      Settlement Agreement with the United States Department of Justice, September 19, 1991;
- (2)      Stipulation and Order with the United States Department of Justice, January 19, 1995;
- (3)      Stipulation and Order with the United States Department of Justice, November 15, 1995;
- (4)      Stipulation and Order with the United States Department of Justice, June 28, 1996;
- (5)      Stipulation and Order with the United States Department of Justice, February 13, 1998.

Description:                Requires the State to ensure that conditions of confinement at the Hawaii State Hospital meet constitutional and United States Department of Justice standards. Also requires the State to enhance community-based resources for individuals discharged or diverted from Hawaii State Hospital so that they may be appropriately served in the community.

Sanctions:                    Contempt order, fines, or the appointment of a special master or receiver.

Operating funds:            Fiscal Year 2001-2002

State	561.50    *
	28,880,422    A
Federal	0

**HTH 440      Alcohol and Drug Abuse**

Mandate:                    (1)      Substance Abuse Prevention and Treatment (“SAPT”) Block Grant.  
 (2)      Public Law 102-321, Alcohol, Drug Abuse, and Mental Health Administration (“ADAMHA”) Reorganization Act, as amended.  
 (3)      Subparts II and III of Part B, Title XIX of the Public Health Services Act, 42 United States Code 300x-21 through 300x-64.  
 (4)      45 Code of Federal Regulations Part 96.

Description:                A block grant for planning, carrying out, and evaluating activities to treat and prevent substance abuse. Numerous conditions on spending and administration require the State to provide certain services and programs for certain groups. Set asides (minimum allocations) of the block grant are required for certain services and target groups. Maintenance of effort (“MOE”) provisions require the State to maintain annual expenditures of state funds for substance abuse services by the implementing agency at a level that is not less than the moving average of total expenditures for the previous two years. The block grant cannot be used to supplant state funding of alcohol and other drug prevention and treatment programs. Other MOE provisions require annual expenditures of state funds for HIV early intervention services and tuberculosis services to be not less than the respective averages of such expenditures for SFY 1991 and 1992.

The State is also required to comply with the Synar Amendment (Public Law 102-321, Section 1926) and regulations, which require the State to enact and enforce laws prohibiting the sale or distribution of tobacco products to individuals under the age of 18.

Sanctions: If the State does not participate in the federal program, the State will forfeit over \$7 million a year in annual federal funding. Sanctions and penalties for noncompliance with SAPT Block Grant statutes and regulations include substantial penalties that reduce federal funding, withholding of federal funds, and requiring the State to repay with interest any federal funds received.

Operating funds:	Fiscal Year 2001-2002		
State	7.00	*	
	8,512,538	A	
	150,000	B	
Federal	2.00	*	
	9,366,345	N	

**HTH 460 Child and Adolescent Mental Health**

Mandate: *Felix v. Waihee* consent decree, issued Oct. 25, 1994, U.S. District Court, Civil No. 93-00367-DAE. *Felix v. Cayetano* revised consent decree, issued August 3, 2000, U.S. District Court, Civil No. 93-00367-DAE.

Description: The decree mandates that the State provide free appropriate public education and mental health services to all children and adolescents between birth and age 20 with disabilities who reside in Hawaii, as required under the Individuals with Disabilities Education Act (“IDEA”), 20 United States Code Sections 1401 et seq. and Section 504 of the Rehabilitation Act, 29 United States Code Section 729.

Sanctions: The State was found in civil contempt, June 1, 2000 for having not met the requirements of the consent decree and subsequent orders of the Court. It is believed the Court has the authority to impose fines, preempt state regulatory powers, and withhold federal funds.

Operating funds:	Fiscal Year 2001-2002		
State	197.00	*	
	89,904,235	A	
	7,477,406	B	
Federal	616,083	N	

**HTH 495 Behavioral Health Services Administration**

Mandate: *United States v. Hawaii*, Civil No. 91-00137 (DAE) (D. Hawaii)

- (1) Settlement Agreement with the United States Department of Justice, September 19, 1991;
- (2) Stipulation and Order with the United States Department of Justice, January 19, 1995;
- (3) Stipulation and Order with the United States Department of Justice,

- November 15, 1995;
- (4) Stipulation and Order with the United States Department of Justice, June 28, 1996;
- (5) Stipulation and Order with the United States Department of Justice, February 13, 1998.

Description: Requires the State to ensure that conditions of confinement at the Hawaii State Hospital meet constitutional and United States Department of Justice standards. Also requires the State to enhance community-based resources for individuals discharged or diverted from Hawaii State Hospital so that they may be appropriately served in the community.

Sanctions: Contempt order, fines, or the appointment of a special master or receiver.

Operating Funds:	Fiscal Year 2001-2002
State	67.00 *
	7,050,362 A
Federal	443,502 N

- Mandate:
- (1) Substance Abuse Prevention and Treatment (“SAPT”) Block Grant.
  - (2) Public Law 102-321, Alcohol, Drug Abuse, and Mental Health Administration (“ADAMHA”) Reorganization Act, as amended.
  - (3) Subparts II and III of Part B, Title XIX of the Public Health Services Act, 42 United States Code 300x-21 through 300x-64.
  - (4) 45 Code of Federal Regulations Part 96.

Description: A block grant for planning, carrying out, and evaluating activities to treat and prevent substance abuse. Numerous conditions on spending and administration require the State to provide certain services and programs for certain groups. Set asides (minimum allocations) of the block grant are required for certain services and target groups. Maintenance of effort (“MOE”) provisions require the State to maintain annual expenditures of state funds for substance abuse services by the implementing agency at a level that is not less than the moving average of total expenditures for the previous two years. The block grant cannot be used to supplant state funding of alcohol and other drug prevention and treatment programs. Other MOE provisions require annual expenditures of state funds for HIV early intervention services and tuberculosis services to be not less than the respective averages of such expenditures for SFY 1991 and 1992.

The State is also required to comply with the Synar Amendment (Public Law 102-321, Section 1926) and regulations, which require the State to enact and enforce laws prohibiting the sale or distribution of tobacco products to individuals under the age of 18.

Sanctions: If the State does not participate in the federal program, the State will forfeit over \$7 million a year in annual federal funding. Sanctions and penalties for noncompliance with SAPT Block Grant statutes and regulations include substantial penalties that reduce federal funding, withholding of federal funds, and requiring the State to repay with interest any federal funds received.

Operating funds: Fiscal Year 2001-2002

FEDERALLY MANDATED STATE PROGRAMS: HEALTH

State	15.00 *	
	632,270	A
Federal	4.00 *	
	792,068	N
Mandate:	<i>Felix v. Waihee</i> consent decree, issued Oct. 25, 1994, U.S. District Court, Civil No. 93-00367-DAE. <i>Felix v. Cayetano</i> revised consent decree, issued August 3, 2000, U.S. District Court, Civil No. 93-00367-DAE.	
Description:	The decree mandates that the State provide free appropriate public education and mental health services to all children and adolescents between birth and age 20 with disabilities who reside in Hawaii, as required under the Individuals with Disabilities Education Act (“IDEA”), 20 United States Code Sections 1401 et seq. and Section 504 of the Rehabilitation Act, 29 United States Code Section 729.	
Sanctions:	The State was found in civil contempt, June 1, 2000 for having not met the requirements of the consent decree and subsequent orders of the Court. It is believed the Court has the authority to impose fines, preempt state regulatory powers, and withhold federal funds.	
Operating funds:	Fiscal Year 2001-2002	
State	34.00 *	
	4,889,718	A
	736,873	B
Federal	0	
Mandate:	<i>Felix v. Waihee</i> consent decree, issued Oct. 25, 1994, U.S. District Court, Civil No. 93-00367-DAE. <i>Felix v. Cayetano</i> revised consent decree, issued August 3, 2000, U.S. District Court, Civil No. 93-00367-DAE.	
Description:	The decree mandates that the State provide free appropriate public education and mental health services to all children and adolescents between birth and age 20 with disabilities who reside in Hawaii, as required under the Individuals with Disabilities Education Act (“IDEA”), 20 United States Code Sections 1401 et seq. and Section 504 of the Rehabilitation Act, 29 United States Code Section 729.	
Sanctions:	The State was found in civil contempt, June 1, 2000 for having not met the requirements of the consent decree and subsequent orders of the Court. It is believed the Court has the authority to impose fines, preempt state regulatory powers, and withhold federal funds.	
Operating funds:	Fiscal Year 2001-2002	
State	1,403,500	A
Federal	2,250,000	U
Total HTH 495		
Operating Funds:	Fiscal Year 2001-2002	
State	116.00 *	
	13,975,850	A
	736,873	B
Federal	4.00 *	

1,235,570 N  
2,250,000 U

**HTH 610 Environmental Health Services**

- Mandate:** Toxic Substances Control Act (“TSCA”) of 1986, Public Law 99-419; Asbestos Hazardous Response Act (“AHERA”), Public Law 99-519, October 22, 1986.
- Description:** Grants are awarded to states to administer the Act’s federal regulations. This Act mandates that schools identify, test, evaluate, and control asbestos-containing materials in all buildings used as schools. AHERA requires that all schools must develop and have available an asbestos management plan on campus; and copies of the management plan be submitted, reviewed, and approved by the State. AHERA also contains requirements for mandatory training and accreditation of persons performing asbestos-related work in schools.
- Sanctions:** The primary sanction for non-compliance is the relinquishment of the State’s primary authority to enforce AHERA requirements as necessary to protect public health. Enforcement authority would then be assumed by the United States Environmental Protection Agency. Federal funds will be withheld, resulting in a cutback to the State’s federally funded staff positions.
- Mandate:** Toxic Substances Control Act (“TSCA”) of 1986, Public Law 99-419; Residential Lead-Based Paint Hazard Reduction Act of 1992 (Title X); 40 Code of Federal Regulations Part 745 Lead.
- Description:** The primary purpose of Title X is to establish clear requirements, standards, and safeguards governing the conduct of lead-based paint evaluation and abatement activities. Title X sets forth training and certification requirements for contractors and individuals engaged in lead-based paint activities; identify lead-based paint hazards, lead-contaminated dust, and lead-contaminated soils. The State currently implements a lead abatement program through a cooperative agreement with the federal government. The cooperative agreement does not require that the State provide matching funds for program development. It is the intent of the federal government to delegate the lead requirement program to the states.
- Sanctions:** Loss of the delegated authority would result in discontinued federal non-matching funds. Further, the State will not be able to address and respond to the results of Hawaii Environmental Risk Ranking project which listed lead as high on the list of unmet environmental health needs.
- Recognizing the need to address environmental lead issues, the 1997 regular session of the legislature adopted a measure authorizing the Department of Health to establish a State program for the accreditation of specially trained persons who conduct inspections and risk assessments for lead, and designing, supervising and working at lead abatement projects in residential dwellings and child-occupied facilities.
- Mandate:** Clean Air Act of 1970, Public Law 91-604; 40 Code of Federal Regulations Part 61, National Emission Standards for Hazardous Air Pollutants (“NESHAP”); 40

Code of Federal Regulations Part 763, Asbestos.

**Description:** Under the Clean Air Act, grants are awarded to states to administer the Act's federal regulations. Asbestos was one of the hazardous air pollutants regulated under Section 112 of Clean Air Act. The Asbestos NESHAP program protects the public by minimizing the processing, handling and disposal of asbestos-containing materials. Accordingly, NESHAP regulations specify work practices to be followed during demolition and renovation of all structures, installations and buildings.

**Sanctions:** Relinquishment of the State's primary authority to enforce NESHAP requirements as necessary to protect public health. Enforcement authority would then be assumed by the Environmental Protection Agency. Federal funds would be withheld, resulting in a cutback to the State's federally funded staff positions.

**Mandate:** Clean Air Act of 1970, Public Law 91-604

**Description:** Grant awarded under cooperative agreements with the Environmental Protection Agency supports the State's efforts at implementing an indoor air quality program.

The program is administered through a cooperative agreement with the Environmental Protection Agency, which supports the State's efforts in implementing an indoor air quality program. Act 234, Session Laws of Hawaii 1994, amended Hawaii Revised Statutes chapter 321, by adding a new part XXXIII on indoor air quality under sections 321-411, 321-412, and 321-413, establishing an indoor air quality program within the State. Act 234 authorized the Department of Health to conduct public outreach activities, establish and coordinate a government-wide indoor air quality assessment network, and develop rules for indoor air quality.

**Sanctions:** The Hawaii Environmental Risking Ranking project, conducted in 1992, identified indoor air pollution as a significant human health risk not receiving appropriate attention. Relinquishment of the State's primary authority to implement an indoor air quality program will impact the State's ability to address this significant public health risk. In addition, federal funds will be withheld, resulting in a cutback to the State's federally funded staff positions.

**Mandate:** Mammography Quality Standards Act ("MQSA") of 1992

**Description:** Funds (cost reimbursement) awarded under contractual agreements with the U.S. Food and Drug Administration ("FDA") supports the State's efforts in implementing the MQSA program.

The intent of MQSA is to assure that women receive acceptable quality mammograms by requiring the establishment of a federal certification and inspection program for mammography facilities. The Act authorizes the FDA to obtain state assistance in enforcing the MQSA requirements including annual inspection of all certified mammography facilities. This is essential because the FDA does not have a sufficient number of trained investigators to inspect the estimated 10,000 mammography facilities in the United States.

Sanctions: Loss of funding will result in relinquishment of the primary authority to administer the State MQSA program, as well as necessary supplemental funds for the State's radiation program in implementing such activities, including staff training, public education, and necessary monitoring equipment. In addition, lack of such a program may result in unsafe health care practice.

Total HTH 610	
Operating funds:	Fiscal Year 2001-2002
State	12.00 *
	571,417 A
Federal	7.00 *
	515,230 N

**HTH 905 Policy Development & Advocacy for Developmental Disabilities**

Mandate: Developmental Disabilities Assistance and Bill of Rights Act Amendments of 2000.

Description: States that establish and maintain state developmental disabilities councils are given assistance to promote the development of a consumer and family-centered comprehensive system of services for individuals with developmental disabilities through advocacy-capacity building to systems change activities.

Sanctions: Loss of about \$420,000 in federal funds; termination of jobs; and discontinuation of the analysis of programs and model projects.

Operating funds:	Fiscal Year 2001-2002
State	1.50 *
	84,039 A
Federal	6.50 *
	433,728 N

**PROGRAM AREA F: SOCIAL SERVICES**

**Departments with Mandates:** Department of Human Services (“HMS”), Department of Defense (“DEF”), Department of the Attorney General (“ATG”).

**Programs with Mandates:**

- HMS 301 Child Welfare Services
- HMS 302 Child Care Services
- HMS 303 Child Placement Board and Related Client Payments
- HMS 305 Child Care Payments
- HMS 501 Youth Services Administration
- HMS 502 Youth Services Program
- HMS 503 Youth Residential Programs
- DEF 112 Services to Veterans
- HMS 601 Adult Community Care Services Branch
- HMS 201 Temporary Assistance to Needy Families
- HMS 202 Payments to Assist the Aged, Blind, & Disabled
- HMS 206 Federal Assistance Payments
- HMS 230 Health Care Payments
- HMS 603 Home and Community Based Care Services
- HMS 245 QUEST Health Care Payments
- HMS 236 Eligibility Determination and Employment Related Services
- HMS 238 Disability Determination
- ATG 500 Child Support Enforcement Services
- HMS 237 Employment & Training
- HTH 904 Executive Office on Aging
- HTH 520 Program Development, Coordination of Services, Access for Persons with Disabilities
- HMS 902 General Support for Health Care Payments
- HMS 903 General Support for Benefits, Employment & Support Services
- HMS 904 General Administration (DHS)
- HMS 901 General Support for Social Services

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	1,066.51		808.89	13.94	0.50		1,889.84
\$	459,221,342		642,615,708	2,645,885	32,978,229		1,137,461,164

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FEDERALLY MANDATED STATE PROGRAMS: SOCIAL SERVICES

Description: CAPTA-BSG provides grants to states to improve the state's CPS system.

Eligibility for funding is based on a federally approved five-year state plan coordinated with Title IVB and included in the state's comprehensive children and family services plan ("CFSP"). The governor must ensure in the plan that the state has in effect the statutory, regulatory and procedural provisions required by CAPTA-BSG. These include but are not limited to: a reporting law, immunity from prosecution for good faith reports, confidentiality and disclosure, right to notice, due process and appeals, expungement of unsubstantiated or false reports from records used for employment and background checks, guardian ad litem to represent a child in judicial proceedings, expedited termination of parental rights ("TPR") for abandoned infants, certain felony convictions and grounds for TPR, establishment of citizen review panel, etc.

Sanctions: Non-receipt or return of CAPTA-BSG funds.

Noncompliance would also jeopardize the state's eligibility for and receipt of CJA funds.

Operating funds: Fiscal Year 2001-2002

State	0
Federal	243,331 N

Mandate: Family Violence Prevention and Services Act ("FVPSA"), as amended.

Description: States receive formula grants to distribute to local agencies through a grant process which is determined by each state. This grant program partially funds the Department of Human Services' domestic violence shelter program throughout the State. Seventy percent of the grant funds must be used to provide shelter and related services for victims of domestic violence. Twenty-five percent of that seventy percent must be for the related supportive services. The Department is required to have a procedure for getting input from the State domestic violence coalition about how the funds should be used. Annual data and program reports are required.

These funds cannot supplant other federal, State, or local funds. A non-federal match between 20-35% of the federal grant award is required.

Sanctions: None specified.

Operating funds: Fiscal Year 2001-2002

State	1,362,461 A
Federal	400,000 N

Mandate: Chafee Foster Care Independence Program ("CFCIP"). Section 477 in Title IV-E of the Social Security Act, as amended.

Description: This grant is to assist states in carrying out programs designed to help youth under CWS placement responsibility make the transition from foster care to self-sufficiency.

Eligibility for funding is conditioned on an approved plan incorporated into the five-year integrated, outcomes-oriented children and family services plan (“CFSP”), and its requirements and assurances.

Grant conditions include a 20% state match requirement, non-supplantation provisions, training requirements, definition of room or board, services to 18-20 year olds, and certification that no more than 30% of the federal allotment will be expended for room or board for youth who have left foster care because they have attained 18 years of age, and who have not attained 21 years of age.

Sanctions: Non-compliance may result in sanctions, including termination and return of CFCIP funds.

Operating funds:	Fiscal Year 2001-2002
State	0
Federal	636,879 N

Mandate: Title IVB1, Child Welfare Services Program. Title IVB, Part B, Subpart 1 of the Social Security Act, as amended (42 United States Code Section 622 et seq.)

Description: This grant requires the establishment of programs to prevent unnecessary separation of children from their families, to improve the quality of care and services to children and their families, and to ensure permanency for children through reunification with parents, adoption or another permanent living arrangement.

Eligibility for funding is conditioned on an approved five-year, outcomes-oriented, integrated children and family services plan (“CFSP”), and its requirements and assurances.

Grant conditions include a 25% state match requirement; training and use of paraprofessionals, community service aides and volunteers; CWS staff development and training plan, diligent recruitment of foster and adoptive families that reflect the ethnic and racial diversity of children in need of placement; an inventory of all children in foster care 6 months or more; a statewide case tracking information system; a case review system for children in foster care; case plans; abandoned infants policy and procedures; compliance with the Indian Child Welfare Act; required use of cross-jurisdictional resources to facilitate timely adoption or permanent placement; and compliance with the Intercountry Adoption Act of 2000.

Sanctions: Non-compliance may result in sanctions, including termination and return of IVB1 funds.

Non-compliance would also jeopardize the state’s eligibility for and receipt of Title IVB2 and Title IVE funds.

FEDERALLY MANDATED STATE PROGRAMS: SOCIAL SERVICES

Operating funds:	Fiscal Year 2001-2002
State	3.89 *
	153,191 A
Federal	9.16 *
	459,573 N

Mandate: Title IVB2, Promoting Safe and Stable Families Program. Title IV, Part B, Subpart 2, of the Social Security Act, as amended (42 United States Code Sections 630-635).

Description: This grant is to help states ensure that there is an effective array of quality services to flexibly meet the individual needs of children and families for improved outcomes (safety, permanency and child well-being). Title IVB2 provides funds for family support, family preservation and time-limited family reunification services, and services to promote and support adoptions.

Eligibility for funding is conditioned on an approved five-year, outcomes-oriented, integrated children and family services plan (“CFSP”), and its requirements and assurances.

Grant conditions include a 25% state match requirement, maintenance of effort provisions, service array specifications, and assurance that safety of children is the paramount concern.

Sanctions: Non-compliance may result in sanctions, including termination and return of Title IVB2 funds.

Operating funds:	Fiscal Year 2001-2002
State	289,202 A
Federal	1.00 *
	1,290,722 N

Mandate: Title IVE, Federal Payments for Foster Care and Adoption Assistance Program. Title IV, Part E of the Social Security Act, as amended (42 U.S.C. section 670 et seq.).

Description: Title IV-E Foster Care assist states with the cost of foster care for children who otherwise would have been eligible for assistance under the approved Title IVA, AFDC, state plan as was in effect on June 1, 1995. The program partially reimburses states for administrative costs to manage the program and for training costs for staff, foster parents and private agency staff.

Eligibility criteria: Funds are intended to be used for children who are determined AFDC eligible, judicially determined to be in need of foster care, in receipt of services rendered to prevent placement; in the custody of the department of human services, placed in licensed foster homes, with case plans and periodic reviews.

To facilitate the adoption of hard to place children, Title IVE Adoption Assistance assists states in providing financial and medical assistance for adopted children (AFDC or SSI eligible) with special needs, e.g., children who are older or handicapped. Partial reimbursement is provided for administrative costs to manage the program and training.

To be eligible for funding, states must have an approved Title IVB plan.

Sanctions: Non-compliance may result in sanctions, including termination and return of Title IVE funds, or federal funding adjustment.

Operating funds:	Fiscal Year 2001-2002
State	252.30 *
	18,559,046 A
Federal	91.41 *
	9,039,809 N

Mandate: Title XX Social Services Block Grant (“SSBG”); Title XX of the Social Security Act, 42 United States Code Section 1397.

Description: SSBG provides maximum flexibility to states by allowing states to use federal funds to fill gaps in funding for needed services. States are required to report on their use of SSBG funds. Services funded by SSBG are to be directed at one or more of five broad goals:

- (1) Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- (2) Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- (3) Preventing or remedying abuse, neglect, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
- (4) Preventing ore reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care;
- (5) Securing referral or admission for institutional car when other forms of care are not appropriate, or providing services to individuals in institutions.

States are given considerable discretion in determining the services to be provided and the groups eligible for services.

In addition, federal law allows states to transfer up to 10% of their Temporary Assistance for Needy Families (“TANF”) allotment to SSBG. The law stipulates that any TANF funds transferred into SSBG must be used for families with incomes no higher than 200% of the federal poverty guidelines. Funds transferred from TANF to SSBG are governed by the laws and regulations of the SSBG program.

Sanctions: Non-receipt or return of SSBG funds.

Operating funds:	Fiscal Year 2001-2002
State	0
Federal	82.73 *

4,562,915 N

The \$4,562,915 includes a \$2,000,000 transfer-in from TANF.

Total HMS 301	
Operating funds:	Fiscal Year 2001-2002
State	256.19 *
	20,363,900 A
Federal	184.30 *
	16,718,769 N

**HMS 302 Child Care Services**

- Mandate:
- (1) Family Support Act of 1988, Public Law 100-485.
  - (2) Social Security Act, Sections 402, 403, and 1102, as amended. 45 Code of Federal Regulations Sections 256 and 233.20(a)(11).
  - (3) Section 418 of Title IV-A of the Social Security Act as amended by Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act ("PRWORA") of 1996, Public Law 104-193, effective October 1, 1996.
  - (4) Child Care and Development Block Grant Act of 1990, as amended by Title VI of PRWORA of 1996, Public Law 104-193.

Description: A state shall ensure that not less than 70% of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under Title VI, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent upon such assistance program.

Sanctions: Loss of federal funds if maintenance-of-efforts requirements are not satisfied.

Operating funds:		Fiscal Year 2001-2002
State	25.00 *	
	1,566,683 A	
Federal	1.00 *	
	5,256,153 N	

**HMS 303 Child Placement Board and Related Client Payments**

Mandate: Title IVB1, Child Welfare Services Program. Title IVB, Part B, Subpart 1 of the Social Security Act, as amended (42 United States Code Section 622 et seq.)

Description: This grant requires the establishment of programs to prevent unnecessary separation of children from their families, to improve the quality of care and services to children and their families, and to ensure permanency for children through reunification with parents, adoption or another permanent living arrangement.

Eligibility for funding is conditioned on an approved five-year, outcomes-oriented, integrated children and family services plan ("CFSP"), and its requirements and assurances.

Grant conditions include a 25% state match requirement; training and use of paraprofessionals, community service aides and volunteers; CWS staff development and training plan, diligent recruitment of foster and adoptive families that reflect the ethnic and racial diversity of children in need of placement; an inventory of all children in foster care 6 months or more; a statewide case tracking information system; a case review system for children in foster care; case plans; abandoned infants policy and procedures; compliance with the Indian Child Welfare Act; required use of cross-jurisdictional resources to facilitate timely adoption or permanent placement; and compliance with the Intercountry Adoption Act of 2000.

Sanctions: Non-compliance may result in sanctions, including termination and return of IVB1 funds.

Non-compliance would also jeopardize the state's eligibility for and receipt of Title IVB2 and Title IVE funds.

Operating funds:	Fiscal Year 2001-2002
State	263,272 A
Federal	789,817 N

Mandate: Chafee Foster Care Independence Program ("CFCIP"). Section 477 in Title IV-E of the Social Security Act, as amended.

Description: This grant is to assist states in carrying out programs designed to help youth under CWS placement responsibility make the transition from foster care to self-sufficiency.

Eligibility for funding is conditioned on an approved plan incorporated into the five-year integrated, outcomes-oriented children and family services plan ("CFSP"), and its requirements and assurances.

Grant conditions include a 20% state match requirement, non-supplantation provisions, training requirements, definition of room or board, services to 18-20 year olds, and certification that no more than 30% of the federal allotment will be expended for room or board for youth who have left foster care because they have attained 18 years of age, and who have not attained 21 years of age.

Sanctions: Non-compliance may result in sanctions, including termination and return of CFCIP funds.

Operating funds:	Fiscal Year 2001-2002
State	159,220 A
Federal	0

Mandate: Title IVE, Federal Payments for Foster Care and Adoption Assistance Program. Title IV, Part E of the Social Security Act, as amended (42 U.S.C. section 670 et seq.).

Description: Title IV-E Foster Care assist states with the cost of foster care for children who otherwise would have been eligible for assistance under the approved Title IVA, AFDC, state plan as was in effect on June 1, 1995. The program partially reimburses states for administrative costs to manage the program and for training

costs for staff, foster parents, and private agency staff.

Eligibility criteria: Funds are intended to be used for children who are determined AFDC eligible, judicially determined to be in need of foster care, in receipt of services rendered to prevent placement; in the custody of the department of human services, placed in licensed foster homes, with case plans and periodic reviews.

To facilitate the adoption of hard to place children, Title IVE Adoption Assistance assists states in providing financial and medical assistance for adopted children (AFDC or SSI eligible) with special needs, e.g., children who are older or handicapped. Partial reimbursement is provided for administrative costs to manage the program and training.

To be eligible for funding, states must have an approved Title IVB plan.

Sanctions: Non-compliance may result in sanctions, including termination and return of Title IVE funds, or federal funding adjustment.

Operating funds:	Fiscal Year 2001-2002
State	23,158,855 A
Federal	12,474,690 N

Total HMS 303	
Operating funds:	Fiscal Year 2001-2002
State	23,581,347 A
Federal	13,264,507 N

**HMS 305      Child Care Payments**

- Mandate:
- (1) Family Support Act of 1988, Public Law 100-485.
  - (2) Social Security Act, Sections 402, 403, and 1102, as amended. 45 Code of Federal Regulations Sections 256 and 233.20(a)(11).
  - (3) Section 418 of Title IV-A of the Social Security Act as amended by Title VI of the Personal Responsibility and Work Opportunity Reconciliation Act ("PRWORA") of 1996, Public Law 104-193, effective October 1, 1996.
  - (4) Child Care and Development Block Grant Act of 1990, as amended by Title VI of PRWORA of 1996, Public Law 104-193.

Description: A state shall ensure that not less than 70% of the total amount of funds received by the State in a fiscal year under this section are used to provide child care assistance to families who are receiving assistance under a State program under Title VI, families who are attempting through work activities to transition off of such assistance program, and families who are at risk of becoming dependent upon such assistance program.

Sanctions: Loss of federal funds if maintenance-of-efforts requirements are not satisfied.

Operating funds:	Fiscal Year 2001-2002
State	16,574,607 A
Federal	25,609,954 N

**HMS 501 Youth Services Administration**

**Mandate:** Juvenile Justice and Delinquency Prevention (“JJDP”) Act of 1974, Public Law 93-415, as amended; 42 United States Code 5601 et seq. Title II formula grant program. OJJDP Formula Grants Regulation 28 Code of Federal Regulations Part 31.

**Description:** Grant-in-aid conditions and requirements. Under Title II of the Act, states (and local governments) may receive formula grant funds for assistance in planning, establishing, operating, coordinating, and evaluating projects set up in preparation to develop treatment and rehabilitation programs addressing juvenile delinquency and juvenile justice. At issue are juveniles in secure custody, including law violators, status offenders, and non-offenders.

States must do the following: (1) submit a three-year plan for carrying out the four mandates of the Act; (2) amend the plan annually; and (3) submit annual performance reports to the Administrator of the Office of Juvenile Justice and Delinquency Prevention.

The four mandates in the Act, found in Section 223(a), are as follows:

- (1) Section 223(a)(12)(A), Deinstitutionalization of Status Offenders. Prohibits states from holding status offenders and non-offenders in secure detention and correctional facilities.
- (2) Section 223(a)(13), Sight and Sound Separation of Juveniles and Adults in Jails and Lockups. Prohibits states from confining juveniles in sight and sound contact with incarcerated adults.
- (3) Section 223(a)(14), Jail and Lockup Removal. Prohibits juveniles from being detained or confined in adult jails or lockups, including status offenders charged with or adjudicated for violating a valid court order.
- (4) Section 223(a)(23), Disproportionate Minority Confinement. Requires states to reduce the proportion of juveniles detained or confined in secure detention facilities, secure correctional facilities, and jails and lockups, that are members of a minority group, if their proportion exceeds the proportion of the minority group in the general population.

**Sanctions:**

- (1) Loss of 25% of the annual \$711,000 allocation for each mandate the State is deemed in noncompliance and all remaining funds must be directed to the non-compliant mandate;
- (2) Jeopardizes eligibility for other programs under the Act; and
- (3) Risk of civil liability since state statutes and federal mandates would be violated.

<b>Operating funds:</b>	Fiscal Year 2001-2002
State	22.00 *
	71,100 A
Federal	711,000 N

**HMS 502 Youth Services Program**

**Mandate:** Title XX, Social Security Act, United States Code 1397, as added by the Social Services Block Grant Act, August 13, 1981, Public Law No. 97-35.

**Description:** The Department of Human Services is the single state agency responsible for

administering Hawaii's share of the Title XX moneys. These block grant funds support social services aimed at helping low-income and other vulnerable persons achieve self-support, self-sufficiency, protection against abuse or neglect, prevention of institutionalization, and appropriate institutional care when needed.

Sanctions:

Operating funds:	Fiscal Year 2001-2002
State	3,522,574 A
Federal	717,583 N

**HMS 503 Youth Residential Programs**

Mandate: Title XX, Social Security Act, United States Code 1397, as added by the Social Services Block Grant Act, August 13, 1981, Public Law No. 97-35.

Description: The Department of Human Services is the single state agency responsible for administering Hawaii's share of the Title XX moneys. The block grant funds support social services aimed at helping low-income and other vulnerable persons achieve self-support, self-sufficiency, protection against abuse or neglect, prevention of institutionalization, and appropriate institutional care when needed.

Operating funds:	Fiscal Year 2001-2002
State	76.50 *
	5,293,166 A
	0.50 *
	11,940 U
Federal	1,251,458 N

**DEF 112 Services to Veterans**

Mandate: National Cemeteries and Memorials, 38 United States Code Section 2408.

Description: The United States Department of Veterans Affairs provides aid to the states for establishment, expansion, or improvement of veterans' cemeteries. The amount of federal contribution is limited to fifty per cent of the combined value of the land to be acquired or dedicated for cemetery purposes and the dollar value of improvements to be made. (38 Code of Federal Regulations Section 39.2(b))

Sanctions: If a state that has received a grant to establish, expand, or improve a veterans' cemetery ceases to operate it as a veterans' cemetery, or uses any part of the grant funds for a purpose other than that for which the grant was made, the United States shall be entitled to recover from the state the total of all grants made to the state in conjunction with the establishment, expansion, or improvement of the cemetery. (38 Code of Federal Regulations Section 39.7)

Operating funds:	Fiscal Year 2001-2002
State	13.00 *
	404,439 A
Federal	0

**HMS 601 Adult and Community Care Services Branch**

Mandate:	Foster Grandparent Program  National and Community Service Trust Act of 1993, Public Law 103-82. The Senior Service Corps, formerly under the Domestic Volunteer Service Act of 1993, Public Law 93-113, as amended.
Description:	Grant-in-aid conditions and requirements. The dual purpose of the foster grandparent program is to provide daily part-time stipended community services opportunities for low-income seniors aged 60 and older, and to provide person-to-person services to children under age 21 who have disabilities and other special needs.
Sanctions:	Termination of stipended work for approximately 150 low-income seniors and of service for approximately 700 special and exceptional needs children. Loss of \$431,632 in federal funds annually and the opportunity to receive more when funding for the federal agency increases.
Operating funds:	Fiscal Year 2001-2002
State	2.50 *
	226,350 A
Federal	412,719 N
Mandate:	(1) Senior Companion Program National and Community Service Trust Act of 1993, Public Law 103-82. The Senior Service Corps, formerly under the Domestic Volunteer Service Act of 1973, Public Law 93-113, as amended. 45 Code of Federal Regulations Parts 1207 and 2551.  (2) Respite Companion Service Program 20 Code of Federal Regulations Part 641, and 29 Code of Federal Regulations Part 89, Senior Community Service Employment Program (“SCSEP”), 42 U.S.C. Section 3056, Public Law 102-375, Title V of the Older Americans Act.
Description:	(1) Grant-in-aid conditions and requirements. The dual purpose of the Senior Companion program is to create part-time stipended volunteer community service opportunities for low-income persons aged 60 and over, and to offer supportive person-to-person services to the homebound, frail elderly so that premature institutionalization may be prevented.  (2) Grant-in-aid conditions and requirements. The SCSEP is an employment and training program for low-income elderly persons who are 55 years or older and physically able to work a maximum of 19 hours per week. Respite companions provide relief to family caregivers so that disabled family members may continue to be cared for at home, and not be prematurely institutionalized.
Sanctions:	(1) Termination of stipended work for approximately 140 low-income seniors, and of services to approximately 600 homebound elders. (2) Termination of employment training for approximately 58 low-income seniors, and of services for approximately 275 homebound elders.
Operating funds:	Fiscal Year 2001-2002

FEDERALLY MANDATED STATE PROGRAMS: SOCIAL SERVICES

State	4.00	*
	379,664	A
Federal	342,570	N
	280,106	U

Mandate: Title XX Social Services Block Grant (“SSBG”); Title XX of the Social Security Act, 42 United States Code Section 1397.

Description: SSBG provides maximum flexibility to states by allowing states to use federal funds to fill gaps in funding for needed services. States are required to report on their use of SSBG funds. Services funded by SSBG are to be directed at one or more of five broad goals:

- (1) Achieving or maintaining economic self-support to prevent, reduce, or eliminate dependency;
- (2) Achieving or maintaining self-sufficiency, including reduction or prevention of dependency;
- (3) Preventing or remedying abuse, neglect, or exploitation of children and adults unable to protect their own interests, or preserving, rehabilitating or reuniting families;
- (4) Preventing or reducing inappropriate institutional care by providing for community-based care, home-based care or other forms of less intensive care;
- (5) Securing referral or admission for institutional care when other forms of care are not appropriate, or providing services to individuals in institutions.

States are given considerable discretion in determining the services to be provided and the groups eligible for services.

In addition, federal law allows states to transfer up to 10% of their Temporary Assistance for Needy Families (“TANF”) allotment to SSBG. The law stipulates that any TANF funds transferred into SSBG must be used for families with incomes no higher than 200% of the federal poverty guidelines. Funds transferred from TANF to SSBG are governed by the laws and regulations of the SSBG program.

Sanctions: Non-receipt or return of SSBG funds.

Operating funds: Fiscal Year 2001-2002

State	0
Federal	2,968,178 N

Mandate: Title XIX, Section 1915 of the Social Security Act. Added to the statute as part of Public Law 97-35 (section 2176), OBRA 1981 and amended by Public Law 99-272, COBRA 1985, Public Law 99-509, OBRA 1986, Public Law 100-203, OBRA 1987, Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988, Public Law 100-647, the Technical and Miscellaneous Revenue Act and Public Law 101-508, OBRA 1990.

Description: Authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements to enable the State to cover a broad array of home and community based services as an alternative to institutionalization. The program targets individuals who would be eligible for federal Medicaid under the State

plan if they were in a medical institution and who would require the level of care in a hospital, NF, or ICF/MR.

Home and community based services may include: case management services, homemaker, personal care services, adult day health services, habilitation services, respite care services, day treatment or other partial hospitalization services (for individuals with a chronic mental illness), and other services requested by the Medicaid Agency and approved by HCFA as cost effective and necessary to avoid institutionalization.

No service may be provided under the waiver if it is already provided under the State Plan.

Sanctions:

Repayment:

1. For services rendered to ineligible individuals or services.
2. For duplicative payments within the waiver or reimbursed under the State Plan.

Involuntary termination of the waiver:

1. Violation of any assurances made in the approved waiver request.
2. Violation of federal regulations applicable to home and community-based waivers.

Operating funds:	Fiscal Year 2001-2002
State	73.58 *
	1,331,802 A
	280,106 U
Federal	0.92 *
	1,331,802 N

Total HMS 601	
Operating funds:	Fiscal Year 2001-2002
State	80.08 *
	1,937,816 A
	280,106 U
Federal	0.92 *
	5,055,269 N
	280,106 U

**HMS 201      Temporary Assistance to Needy Families**

Mandate:                      Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193.

Description:                  The State is required to obtain federal approval of a State Plan before it can participate in the Temporary Assistance to Needy Families ("TANF") program.

The State uses TANF funds to provide five-year time limited financial assistance to families with dependent children where all household members are U.S. citizens and at least one parent of the dependent children is absent from the home. The gross income must be less than 185% of the 1993 poverty level for Hawaii and assets may not exceed \$5,000. Parents or relatives that reside with the

dependent child are required to seek employment, pursue child support and strive for maximum self-support and personal independence.

Sanctions: Total loss of TANF block grant funds for failure to have an approved state plan or to implement the state plan after approval. Partial loss of TANF funds based on federal management/fiscal audit findings for non-compliance with particular program requirements and objectives.

Operating funds:	Fiscal Year 2001-2002
State	12,269,081 A
Federal	61,600,014 N

**HMS 202      Payments to Assist the Aged, Blind, & Disabled**

Mandate: Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, and Social Security Act, Title XVI, Sections 1611-1635 (earliest sections added Oct. 30, 1972, Public Law 92-603); 42 United States Code Sections 1381-1383d.

Description: States that make Supplemental Security Income (“SSI”) payments on or after June 30, 1977 must enter into an agreement with the Secretary of Health and Human Services to maintain such payments at required levels. Public Law 98-21, added April 20, 1983, requires the State to maintain SSI payments at the March 1983 adjusted level. For states that opt to continue utilizing the services of the Social Security Administration for administering state SSI benefits, Public Law 103-66, added Aug. 10, 1993, imposes processing fees at \$8.10 per person. It will increase to \$8.50 per person effective October 2001.

SSI benefits are for individuals who have attained age 65 years, are blind, or are disabled.

Sanctions: Fiscal sanctions against the Title XIX Medicaid program for failure to maintain the SSI state supplement at the March 1983 level. Sanction amounts are based upon Medicaid’s total federal funding. There is also a potential loss of SSI dollars to residents of care homes if the State does not have the state supplement amounts processed by the Social Security Administration.

Operating funds:	Fiscal Year 2001-2002
State	22,426,631 A
Federal	0

**HMS 206      Federal Assistance Payments**

Mandate: Low Income Home Energy Assistance Program (“LIHEAP”)

Low Income Home Energy Assistance Act of 1981, Public Law 97-35, also Public Law 98-558, Public Law 99-425, Public Law 100-501, Public Law 103-252, and 42 United States Code Section 8621 et seq.

Description: The State is required to submit a LIHEAP State Plan to apply for annual LIHEAP block grant funds. The state plan describes how the state will assist low-income households with the cost of residential heating and cooling, and how the state will meet the Assurances required by the LIHEAP statute. Low-income households

are those with gross incomes less than limits linked to the federal poverty level for Hawaii and who demonstrate utility need by producing current original electric or gas bills or shut-off notices.

Sanctions: Loss of federal funding if Hawaii chooses not to participate. Reimbursement of misspent funds, for noncompliance with established Assurances attested to and signed by the chief executive officer or the Director of Human Services.

Operating funds:	Fiscal Year 2001-2002
State	0
Federal	1,491,331 N

Mandate: Food Stamp Act of 1977, Public Law 95-113, as amended; 7 United States Code sections 2011-2031.

Description: Through an agreement between the State and the Department of Agriculture, the State opts to operate and administer a food stamp program in accordance with the Act, its regulations, and the State Plan of Operations approved by the Food and Nutrition Service.

Furthermore, Public Law 99-198, added December 23, 1985, prohibits states from participation in the program if state or local taxes are collected effective October 1, 1986, on food purchased with food stamps.

Locally, the Food Stamp Act is intended to benefit households with a gross income of less than 130% of the federal poverty level for Hawaii, or with a net income of less than 100% of the federal poverty level.

Sanctions: Loss of federal funding for choosing not to participate. Reimbursement of any misspent federal funds for non-compliance with any program requirements.

Operating funds	Fiscal Year 2001-2002
State	0
Federal	0

The anticipated value of food stamp benefits to be issued by the State during fiscal year 2001-2002 is \$154,376,568 in federal funds. The value of the benefits is not reflected in the budget act.

Total HMS 206	
Operating funds	Fiscal Year 2001-2002
State	0
Federal	1,491,331 N

**HMS 230 Health Care Payments**

Mandate: Medicaid, Title XIX, Social Security Act, as added July 30, 1965, Public Law 89-97, as amended.

Description: Title XIX creates the Medicaid program as a cooperative venture between the federal government and the State. The Medicaid program provides better medical assistance to eligible needy persons. Hawaii has also been granted a section 1115 waiver which allows the State to provide health care coverage through the demonstration program called Hawaii QUEST.

HMS 230 covers payments for providers under the Medicaid program. HMS 245 covers payments to health plans under the Hawaii QUEST program. HMS 902 covers the administrative costs.

Sanctions: Noncompliance of federal mandates would result in a loss of federal funds of approximately \$409,665,936 per year for discontinuing the Medicaid and the Hawaii QUEST programs.

Operating funds:	Fiscal Year 2001-2002		
State	173,476,763	A	
	10,341,215	U	
Federal	234,824,015	N	

**HMS 603 Home and Community Based Care Services**

Mandate: Title XIX, Section 1915 of the Social Security Act. Added to the statute as part of Public Law 97-35 (section 2176), OBRA 1981 and amended by Public law 99-272, COBRA 1985, Public Law 99-509, OBRA 1986, Public Law 100-203, OBRA 1987, Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988, Public Law 100-647, the Technical and Miscellaneous Revenue Act and Public Law 101-508, OBRA 1990.

Description: Authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements to enable the State to cover a broad array of home and community based services as an alternative to institutionalization. The program targets individuals who would be eligible for federal Medicaid under the State plan if they were in a medical institution and who would require the level of care in a hospital, NF, or ICF/MR.

Home and community based services may include: case management services, homemaker, personal care services, adult day health services, habilitation services, respite care services, day treatment or other partial hospitalization services (for individuals with a chronic mental illness), and other services requested by the Medicaid Agency and approved by HCFA as cost effective and necessary to avoid institutionalization.

No service may be provided under the waiver if it is already provided under the State Plan.

Sanctions: Repayment:

1. For services rendered to ineligible individuals or services.
2. For duplicative payments within the waiver or reimbursed under the State Plan.

Involuntary termination of the waiver:

1. Violation of any assurances made in the approved waiver request.
2. Violation of federal regulations applicable to home and community-based waivers.

Operating funds:	Fiscal Year 2001-2002		
State	13,467,039	A	
	22,064,862	U	

Federal 39,375,341 N

**HMS 245 QUEST Health Care Payments**

Mandate: Medicaid, Title XIX, Social Security Act, as added July 30, 1965, Public Law 89-97, as amended.

Description: Title XIX creates the Medicaid program as a cooperative venture between the federal government and the State. The Medicaid program provides better medical assistance to eligible needy persons. Hawaii has also been granted a section 1115 waiver which allows the State to provide health care coverage through the demonstration program called Hawaii QUEST.

HMS 230 covers payments for providers under the Medicaid program. HMS 245 covers payments to health plans under the Hawaii QUEST program. HMS 902 covers the administrative costs.

Sanctions: Noncompliance of federal mandates would result in a loss of federal funds of approximately \$409,665,936 per year for discontinuing the Medicaid and the Hawaii QUEST programs.

Operating funds: Fiscal Year 2001-2002  
 State 120,054,939 A  
 Federal 158,896,301 N

**HMS 236 Eligibility Determination and Employment Related Services**

Mandate: (1) Personal Responsibility and Work Opportunity Reconciliation Act (“PRWORA”) of 1996, Public Law 104-193.  
 (2) Food Stamp Act of 1977, PL 95-113, as amended; 7 United States Code Sections 2011-2031.  
 (3) Social Security Act, Title XIX, as added July 30, 1965, Public Law 89-97, as amended.

Description: HMS 236 and HMS 903 implement the HMS administration budget for the income maintenance programs HMS 201, HMS 202, HMS 203, and HMS 206. In addition, the HMS 903 program is the administration budget for HMS 302 and HMS 237. The administration budget covers the operating expenses and salaries for the eligibility determination staff and the state administrative staff.

Sanctions: Proportionate loss of federal funding for non-participation in either Temporary Assistance to Needy Families or Payments to Assist the Aged, Blind and Disabled. Federal fiscal sanction for non-compliance with food stamp and medicaid requirements.

Operating funds: Fiscal Year 2001-2002  
 State 335.17 \*  
 11,564,292 A  
 Federal 259.83 \*  
 13,319,822 N

**HMS 238 Disability Determination**

Mandate: Social Security Act, Title XVI.

Description: Process applications for Social Security Disability Insurance and Supplemental Security Income. This is a direct mandate. Evaluations are obtained and eligibility determinations made against standards to determine if the impairments are significant enough to be qualifying. The program is wholly federally funded.

Sanctions: Failure to comply with program standards would result in loss of funds.

Operating funds: Fiscal Year 2001-2002

State	0
Federal	45.00 *
	4,798,445 N

**ATG 500 Child Support Enforcement Services**

Mandate: Title IV-D of the Social Security Act.

Description: The Title IV-D child support enforcement program is a federal and state partnership to collect child support. The goals of this program are to ensure that children have financial support of both their parents, to foster responsible behavior towards children, and to reduce welfare costs. Services are mandatory for families who are receiving public assistance and available to non-welfare families who apply for these services. The major services provided by the Title IV-D program include locating non-custodial parents, establishing paternity, establishing child support obligations, enforcing support orders, and receiving and disbursing support payments. Collections from non-custodial parents whose children are receiving public assistance are distributed to the State as reimbursement of public assistance.

Sanctions: Participation in the federal Title IV-D program is a requirement for continued federal participation with the State's financial assistance (Temporary Assistance for Needy Families) programs. Failure of the State to comply with federal mandates for the IV-D (Child Support Enforcement) program could lead to sanctions against the State in the form of penalties affecting the federal welfare block grant. The loss of federal revenues would seriously jeopardize the ability of the State to provide financial assistance to welfare participants at current assistance levels. The State would face severe moral issues, as the increased financial burden on the State's revenue will force decisions to reduce or delete financial assistance awards or services packages. A ripple effect on the economy would be experienced. The loss of federal revenues would force the reduction of the State's work force. A number of workers could be forced on the welfare roles as they reached their maximum unemployment claim and were unable to find new jobs.

Operating funds: Fiscal Year 2001-2002

State	52.36 *
	1,780,382 A
	13.94 *
	2,645,885 T
Federal	128.70 *
	13,596,307 N

**HMS 237      Employment & Training**

- Mandate:
- (1) Food Security Act of 1985, Public Law 99-198, as amended.
  - (2) Food Stamp Act of 1977, as amended through the Personal Responsibility and Work Opportunity Reconciliation Act, Public Law 104-193, August 22, 1996.
  - (3) 7 Code of Federal Regulations Part 276.

Description: Requires states to implement, no later than April 7, 1987, an employment and training program for food stamp recipients developed by the state and approved by the Secretary of Agriculture. Through the program recipients are encouraged to become involved in meaningful work-related activities such as would lead them to paid employment and lessen their dependency on assistance programs.

Effective November 22, 1996, able-bodied adults without dependents between the ages of 18 and 50 shall work 20 hours or more per week, averaged monthly; or participate in and comply with the requirements of an employment and training program for 20 hours or more per week.

Sanctions: Loss of funds, for failure to implement the employment and training program.

Operating funds:	Fiscal Year 2001-2002	
State	517,033	A
Federal	1,197,541	N

The first \$600,508 of federal funds is totally federal funds. Any amount over the \$600,508 is matched 50-50% state-federal funds.

**HTH 904      Executive Office on Aging**

Mandate: Older Americans Act of 1965 as amended, by Public Law No. 106-501, Titles III and VII; 45 Code of Federal Regulations Part 1321.

Description: To develop or strengthen services through area agencies on aging to provide various services to older adults 60 years old such as nutrition, education, ombudsman for long term care facilities.

Sanctions: The federal government will cite the State for non-compliance and ultimately withhold funds.

Operating funds	Fiscal Year 2001-2002	
State	3.55	*
	6,102,342	A
Federal	7.45	*
	5,875,828	N

**HTH 520      Program Development, Coordination of Services, Access for Persons with Disabilities**

Mandate: Uniform System for Handicapped Parking Law, Public Law No. 100-641.

Description: Requires each state to set up a system for issuing parking permits (permanent placards, temporary placards, and license plates) for qualified persons with

disabilities which would enable those individuals to park in stalls reserved for persons with mobility impairments.

Sanctions: None are outlined.

Operating funds	Fiscal Year 2001-2002
State	113,000 A
Federal	0

**HMS 902 General Support for Health Care Payments**

Mandate: Medicaid, Title XIX, Social Security Act, as added July 30, 1965, Public Law 89-97, as amended.

Description: Title XIX creates the Medicaid program as a cooperative venture between the federal government and the State. The Medicaid program provides better medical assistance to eligible needy persons. Hawaii has also been granted a section 1115 waiver which allows the State to provide health care coverage through the demonstration program called Hawaii QUEST.

HMS 230 covers payments for providers under the Medicaid program. HMS 245 covers payments to health plans under the Hawaii QUEST program. HMS 902 covers the administrative costs.

Sanctions: Noncompliance of federal mandates would result in a loss of federal funds of approximately \$409,665,936 per year for discontinuing the Medicaid and the Hawaii QUEST programs.

Operating funds:	Fiscal Year 2001-2002
State	104.50 *
	8,889,569 A
Federal	108.50 *
	15,945,620 N

**HMS 903 General Support for Benefits, Employment, and Support Services**

Mandate: (1) Personal Responsibility and Work Opportunity Reconciliation Act (“PRWORA”) of 1996, Public Law 104-193.  
 (2) Food Stamp Act of 1977, PL 95-113, as amended; 7 United States Code Sections 2011-2031.  
 (3) Social Security Act, Title XIX, as added July 30, 1965, Public Law 89-97, as amended.

Description: HMS 236 and HMS 903 implement the HMS administration budget for the income maintenance programs HMS 201, HMS 202, HMS 203, and HMS 206. In addition, the HMS 903 program is the administration budget for HMS 302 and HMS 237. The administration budget covers the operating expenses and salaries for the eligibility determination staff and the state administrative staff.

Sanctions: Proportionate loss of federal funding for non-participation in either Temporary Assistance to Needy Families or Payments to Assist the Aged, Blind and Disabled. Federal fiscal sanction for non-compliance with food stamp and medicaid requirements.

Operating funds:	Fiscal Year 2001-2002
State	57.03 *
	10,088,832 A
Federal	47.97 *
	19,327,103 N

**HMS 904      General Administration (DHS)**

**Mandate:** Single Audit Act of 1984, Public Law 98-502, as amended by the Single Audit Amendments of 1996, Public Law 104-156; 31 United States Code 7501-07; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*.

**Description:** Non-federal entities that expend \$300,000 or more in federal awards shall have a single audit conducted in accordance with OMB Circular A-133. This audit covers the entire operations of the department. The auditors provide opinions on the financial statements and schedule of expenditures of federal awards, and also provide reports on internal controls and compliance with laws, regulations, and the provisions of contracts or grant agreements.

**Sanctions:** If an audit is not conducted in accordance with OMB Circular A-133, federal agencies shall take appropriate action using sanctions such as (a) withholding a percentage of federal awards until the audit is completed satisfactorily; (b) withholding or disallowing overhead costs; (c) suspending federal awards until the audit is conducted; or (d) terminating the federal award.

Operating funds	Fiscal Year 2001-2002
State	202,440 A
Federal	197,560 N

**Mandate:** Medicaid (Social Security Act, Title XIX, Public Law 89-97); Temporary Assistance to Needy Families (Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193); and Food Stamps (Food Stamp Act of 1977), Public Law 95-113.

**Description:** Requires states to administer and oversee their Medicaid and financial assistance programs. HMS 904 furnishes general policy, accounting, quality assurance, information technology services and support, dispute resolution through fair hearings, and other administrative assistance to all programs under HMS.

**Sanctions:** Noncompliance, in general, invites sanctions and eventual termination of federal funding. The extent to which noncompliance within HMS 904 justifies an overall noncompliance status under any of the federal mandates varies with the mandate. For the Food Stamps program, accuracy rates for payments need to be determined and reported to the U.S. Department of Agriculture, Food and Nutrition Service. The payment accuracy rates are determined by quality assurance sampling. Findings are transmitted monthly to the Food and Nutrition Service and an annual report is required based on an evaluation of the findings for the year. Fiscal sanctions are placed if the payment accuracy rates fall below the Federal tolerance level. For several years, the high accuracy rates for Hawaii has

resulted in the State being able to receive bonuses from the federal government ranging from \$900,500 to \$1.6 million. For the Medicaid programs, the U.S. Health Care Financing Administration (“HCFA”) requires semi-annual reports on the program eligibility enrollment rates to the HCFA Regional Office. These rates are determined by quality assurance sampling. Error rates in excess of the 3% tolerance level will eventually result in fiscal sanctions corresponding to the error rate percentage above the tolerance level. The HCFA also requires an annual report on the Medicaid claims processing assessment system that monitors provider payments. This is also determined by quality assurance sampling. Again, failure to meet error rate tolerance levels can result in fiscal sanctions.

All federal programs administered by the department require a dispute resolution through the fair hearing process. The U.S. and State Constitutions guarantee these hearings. Failure to comply is most likely a civil rights violation and will result in litigation and program fiscal sanctions.

There may be no direct sanctions for failure to provide adequate data systems support to federal programs. However, the financial, medical, and social services programs of the department are administered and delivered through the use of automated data systems. Program delivery efficiency and accuracy and the generation of required reports is affected which would result in the sanctions described above.

Operating funds:	Fiscal Year 2001-2002
State	22.84 *
	1,668,061 A
Federal	15.16 *
	1,213,636 N

Total HMS 904	
Operating funds:	Fiscal Year 2001-2002
State	22.84 *
	1,870,501 A
Federal	15.16 *
	1,411,196 N

**HMS 901      General Support for Social Services**

**Mandate:** Title IVE, Federal Payments for Foster Care and Adoption Assistance Program. Title IV, Part E of the Social Security Act, as amended (42 U.S.C. section 670 et seq.).

**Description:** Title IV-E Foster Care assist states with the cost of foster care for children who otherwise would have been eligible for assistance under the approved Title IVA, AFDC, state plan as was in effect on June 1, 1995. The program partially reimburses states for administrative costs to manage the program and for training costs for staff, foster parents and private agency staff.

Eligibility criteria: Funds are intended to be used for children who are determined AFDC eligible, judicially determined to be in need of foster care, in receipt of services rendered to prevent placement; in the custody of the department of human services, placed in licensed foster homes, with case plans and periodic reviews.

To facilitate the adoption of hard to place children, Title IVE Adoption Assistance assists states in providing financial and medical assistance for adopted children (AFDC or SSI eligible) with special needs, e.g., children who are older or handicapped. Partial reimbursement is provided for administrative costs to manage the program and training.

To be eligible for funding, states must have an approved Title IVB plan.

Sanctions: Non-compliance may result in sanctions, including termination and return of Title IVE funds, or federal funding adjustment.

Operating funds:	Fiscal Year 2001-2002
State	8.08 *
	1,959,670 A
Federal	4.29 *
	1,012,973 N

Mandate: Title XIX, Section 1915 of the Social Security Act. Added to the statute as part of Public Law 97-35 (section 2176), OBRA 1981 and amended by Public law 99-272, COBRA 1985, Public Law 99-509, OBRA 1986, Public Law 100-203, OBRA 1987, Public Law 100-360, the Medicare Catastrophic Coverage Act of 1988, Public Law 100-647, the Technical and Miscellaneous Revenue Act and Public Law 101-508, OBRA 1990.

Description: Authorizes the Secretary of Health and Human Services to waive certain Medicaid statutory requirements to enable the State to cover a broad array of home and community based services as an alternative to institutionalization. The program targets individuals who would be eligible for federal Medicaid under the State plan if they were in a medical institution and who would require the level of care in a hospital, NF, or ICF/MR.

Home and community based services may include: case management services, homemaker, personal care services, adult day health services, habilitation services, respite care services, day treatment or other partial hospitalization services (for individuals with a chronic mental illness), and other services requested by the Medicaid Agency and approved by HCFA as cost effective and necessary to avoid institutionalization.

No service may be provided under the waiver if it is already provided under the State Plan.

FEDERALLY MANDATED STATE PROGRAMS: SOCIAL SERVICES

Sanctions:

Repayment:

1. For services rendered to ineligible individuals or services.
2. For duplicative payments within the waiver or reimbursed under the State Plan.

Involuntary termination of the waiver:

1. Violation of any assurances made in the approved waiver request.
2. Violation of federal regulations applicable to home and community-based waivers.

Operating funds:

Fiscal Year 2001-2002

State	10.21	*
	1,325,636	A
Federal	5.77	*
	1,359,178	N

Total HMS 901

Operating funds:

Fiscal Year 2001-2002

State	18.29	*
	3,285,306	A
Federal	10.06	*
	2,372,151	N

**PROGRAM AREA G: FORMAL EDUCATION**

**Departments with Mandates:** Department of Education (“EDN”), University of Hawaii (“UOH”)

**Programs with Mandates:**

**Lower Education:**

- EDN 100 School-Based Budgeting
- EDN 200 Instructional Support
- EDN 400 School Support

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	4,345.50		2.00				4,347.50
\$	240,045,038		26,624,995				266,670,033

**Higher Education:**

- UOH 100 University of Hawaii, Manoa
- UOH 900 UOH, System Wide Support

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	44.15		8.00				52.25
\$	5,474,872	419,801	8,025,512			111,600	14,031,785

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**LOWER EDUCATION**

**The Programs**

**EDN 100 School Based Budgeting**

**Mandate:** Title VII of the Civil Rights Act of 1964 (P.L. 88-352)

**Description:** Requires the provision of equal education opportunities to target students through intensive English-as-a-Second Language (“ESL”) skills instruction, ESL, and/or native language instruction in core content areas, and cultural orientation activities.

**Sanctions:** Litigation, court-ordered sanctions, and loss of federal funds.

Operating funds:	Fiscal Year 2001-2002	
State	141.00	*
	9,051,821	A
Federal	706,310	N

Of the total operating cost for EDN 100, \$207,217,903 is for fringe benefits assigned by the Department of Budget and Finance. The mandated programs' personnel cost is approximately 19.6% of the Department of Education's total general fund personnel cost. An estimate for the mandated programs' portion of the fringe benefits would be about \$40,627,000.

**EDN 200 Instructional Support**

Mandate: Individuals with Disabilities Education Act ("IDEA"), the Felix Consent Decree, and Section 504 of the Rehabilitation Act of 1973 (P.L. 93-112).

Description: Requires the provision of equal educational opportunities and free appropriate public education to all disabled children including related services to enable them to benefit from their education.

Sanctions: Litigation, court-ordered sanctions to include receivership, and loss of federal funds.

Operating funds:	Fiscal Year 2001-2002	
State	4,204.50	*
	220,937,617	A
Federal	2.00	*
	25,918,685	N

**EDN 400 School Support**

Mandate: Individuals with Disabilities Education Act ("IDEA"), the Felix Consent Decree, and Section 504 of the Rehabilitation Act.

Description: Requires the provision of equal educational opportunities and free appropriate public education to all disabled children including related services to enable them to benefit from their education. The related services include providing curb-to-curb busing for special education students.

Sanctions: Litigation, court-ordered sanctions, and loss of federal funds.

Operating funds:	Fiscal Year 2001-2002	
State	10,055,600	A
Federal	0	

**HIGHER EDUCATION**

**The Programs**

**UOH 100 University of Hawaii, Manoa**

**Organized Research - UOH Manoa**

Mandate: Memorandum of Understanding, dated September 1977.

Description: Promotes, through the establishment of the Joint Institute for Marine and Atmospheric Research, a close multidisciplinary collaboration among scientists and technologists of the University and the federal National Oceanic and Atmospheric Administration, in research on oceanic, atmospheric and geophysical matters.

Sanctions: Not applicable.

Operating funds: Fiscal Year 2001-2002

State	1.00	*
	70,000	A
Federal	6,000,000	N

Mandate: The National Sea Grant College Program Act of 1966, Public Law 89-688, October 15, 1966 (H.R. 16559)

Description: The National Sea Grant College Program encourages the wise use and stewardship of our marine resources and coastal environment through research, education, outreach and technology transfer. Sea Grant is a partnership between the nation's universities and the National Oceanic and Atmospheric Administration. Sea Grant serves as a bridge between government, academia, industry, scientists, and private citizens to help Americans understand and sustainably use our precious Great Lakes and ocean waters for long-term economic growth. Sea Grant funding opportunities are available through national and state-level competitions. Assistance is provided in the form of grants with the requirement of a 50 percent match (1/3 of total project cost) from the designated Sea Grant College Program's institution.

Sanctions: Loss of program accreditation, loss of federal funding.

Operating funds: Fiscal Year 2001-2002

State	4.00	*
	403,915	A
	62,737	B
	98,000	W
Federal	3.00	*
	106,953	N

Mandate: National Space Grant College and Fellowship Act, Oct. 30, 1987, Public Law 100-47. Funded by National Aeronautics and Space Administration (“NASA”).

Description: Supports college and K-12 education and public outreach programs of space grant colleges for their surrounding communities. Through the Hawaii program, a wide range of activities are offered at UH Manoa, UH Hilo, at Leeward, Windward, Kapiolani, Honolulu, and Maui Community Colleges, and at the public schools. NASA requires matching the entire amount of the grant, less the amount allocated to the fellowship program.

Sanctions: Inability to demonstrate full state support will result in a decrease in the amount of the grant, hence a decrease in the number of campuses involved and in the number of programs at each campus. In FY2001, the State provided \$144,108 in matching funds (G funds and R funds), far short of the \$312,800 required by NASA. This deficit has been partially offset by in-kind donations by participants in some programs, but not enough to satisfy NASA managers. They have been patient, however, because in a review of all 52 space grant programs, Hawaii Space Grant was ranked third. However, UH reports that NASA’s patience is now wearing thin.

Operating funds: Fiscal Year 2001-2002

State	119,108	A
Federal	422,800	N

Non-budget amount of 25,000 in R funds.

Mandate: McIntire-Stennis Act of 1962, Public Law 87-788, as amended.

Description: Encourages land-grant colleges, agricultural experiment stations, and schools of forestry to engage in forestry research, in order to stimulate the development and utilization of forest and rangeland resources. Not a grant-in-aid.

Sanctions: Reduction in the total federal appropriation.

Operating funds: Fiscal Year 2001-2002

State	186,705	A
Federal	0	

Non-budget federal appropriation of \$186,705.

Mandate: Hatch Act of 1887, ch. 314, amended by Act of August 11, 1955, ch. 790, 69 Statutes at Large 671.

Description: Promotes efficiency in the production, market distribution, and utilization of farm products.

Sanctions: Reduction in the total federal appropriations.

FEDERALLY MANDATED STATE PROGRAMS: FORMAL EDUCATION

Operating funds: Fiscal Year 2001-2002  
State 860,454 A  
Federal 0

Non-budget federal appropriation of \$860,454 and position ceiling of 34.42.

Mandate: Hatch Act, Public Law 84-352.

Description: Stimulates and facilitates interstate cooperation in regional and national research, by supporting cooperative regional research projects of state agricultural experiment stations, provided that funds are used only for projects that are recommended by a regional committee that is approved by the Secretary of Agriculture. Not a grant-in-aid.

Sanctions: Loss of federal funds.

Operating funds: Fiscal Year 2001-2002  
State 379,594 A  
Federal 0

Non-budget federal appropriation of \$379,594.

**Public Service - UOH, Manoa**

Mandate: Smith-Lever Act, May 8, 1914, ch. 79, 38 Statutes at Large 372, Sections 3(B), 3(C), and 3(D), as amended.

Description: Requires states or land grant colleges to: (1) assist low-income families at becoming more efficient and effective users of available food and nutrition resources; (2) disseminate among farmers, homeowners, and agribusinesses useful and practical information on agriculture and home economics, and to encourage them to make use of such information; (3) coordinate an effective educational program, gathering information on safety standards and procedures promulgated by federal, state, and local agencies, and disseminating the information among farmers and agricultural experiment stations; (4) develop interdisciplinary programs for farmers and homeowners on controlling infestation of crop and animal commodities by insects, diseases, weeds, and parasites; and (5) offer comprehensive extension programs on forests and rangelands to farmers and agribusinesses. Not a grant-in-aid.

Sanctions: Loss of federal funds or reduction in the total federal appropriation.

Operating funds: Fiscal Year 2001-2002  
State 1,130,789 A  
Federal 0

Non-budget federal appropriation of \$1,521,478 and federally funded position ceiling of 43.64.

**Academic Support - UOH, Manoa**

Mandate: OMB Circulars A-21, A-88, and A-133.

Description: Provision of appropriate monitoring of federal contracts and grants to ensure compliance with federal guidelines or mandates.

Sanctions: Reinstatement against the University of the threat of a complete suspension of all federal funds.

Operating funds: Fiscal Year 2001-2002

State	2.00	*
	67,872	A
Federal	1.00	*
	35,616	N

**Student Services - UOH, Manoa**

Mandate: National School Lunch Act, June 4, 1946, ch. 281, 60 Statutes at Large 230, as amended; 42 United States Code Sections 1758, 1759a, 1762a, 1765, and 1766.

Description: Requires the State educational agency to provide annual staff training on food safety per Department of Agriculture guidelines. Center trains parent and student kitchen workers on food-handling, preparing snacks, distributing hot lunches in dishes for family style service, sanitizing work areas, and using proper dishwashing techniques: collecting information, keeping records, and revising and reviewing menus as required.

Sanctions: No reimbursement for meals served to children of families who qualify for free and reduced priced meals based on family income.

Operating funds: Fiscal Year 2001-2002

State	0.10	*
	4,175	A
	650	W
Federal	0	

Mandate: Veterans' Benefits, Aug. 27, 1958, Public Law 85-782, as amended.

Description: Requires UH-Manoa to certify programs and coursework of veteran students eligible to receive federal education benefits. Requires monitoring enrollment status; keeping cumulative enrollment, performance, and completion files; and promptly reporting student status changes for the purpose of payment or nonpayment of benefits by the Department of Veteran Affairs.

Sanctions: Decertification of the veteran student program. Decertification of individual veteran student/non-payment of benefits. Individual liability for overpayment of benefits.

FEDERALLY MANDATED STATE PROGRAMS: FORMAL EDUCATION

Operating funds: Fiscal Year 2001-2002  
 State 0.30 \*  
 10,685 A  
 Federal 2,476 N

Mandate: Occupational Safety and Health Act of 1970, Public Law 91-596.

Description: Requires that occupational exposure to bloodborne pathogens and other potentially infectious materials be minimized by the adhering to OSHA standards pertaining to the handling of specimens, materials, equipment, and supplies, the training and education of staff, the development of an emergency response plan, and the reporting of accidental exposures. Requires that all biohazardous waste be appropriately disposed.

Sanctions: Fines and possible closure of the University Health Services Clinic.

Operating funds: Fiscal Year 2001-2002  
 State 0.10 \*  
 8,250 W  
 Federal 0

Mandate: Americans with Disabilities Act of 1990, Public Law 101-336.

Description: Requires state to provide facilities and services that ensure access to individuals with disabilities. Requires state to upgrade their facilities to make them wheelchair-accessible and equipped with telephones that serve the hearing-impaired.

Sanctions: Possible fines for non-compliance.

Operating funds: Fiscal Year 2001-2002  
 State 200 W  
 Federal 0

Mandate: Clinical Laboratory Improvement Amendments (“CLIA”) 1988, Public Law 100-578.

Description: Requires all laboratories that conduct testing on human specimens for assessment, diagnoses, prevention or treatment of disease, to conform to specific standards and regulations (42 CFR Part 493, HSQ-176). Facilities are subjected to periodic inspections to ensure compliance. Proficiency testing programs must be maintained. Appropriate licensing and certificates must be maintained.

Sanctions: Fines and possible closure of the University Health Services Clinic.

Operating funds: Fiscal Year 2001-2002  
 State 3,500 W  
 Federal 0

Mandate: Controlled Substance Act of 1970, chapter 329; Diversion Control Amendments, 1984.

Description: Requires appropriate licensing in dispensing medications, in particular, narcotics. Facility and records are subject to periodic inspection to ensure compliance. All pharmacists must maintain current license. All physicians must maintain current Drug Enforcement Administration licenses.

Sanctions: Fines and revoking of licenses.

Operating funds:	Fiscal Year 2001-2002
State	1,000 W
Federal	0

Mandate: Immigration and Nationality Act and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996.

Description: Accredited institutions enrolling non-immigrant students must comply with admissions criteria, enrollment data keeping, and regulations related to transfers, employment and travel. It further directs the Attorney General to collect information relating to non-immigrant foreign students and other exchange program participants.

Sanctions: The University would lose its ability to legally enroll or employ non-immigrant students as F-1 or J-1 exchange visitors. Students who enroll would then be considered illegal aliens rather than legal non-immigrant students. It would not be able to fulfill its mission to Asia and the Pacific of accessibility to higher education.

Operating funds:	Fiscal Year 2001-2002
State	4.00 *
	163,914 A
Federal	0

Mandate: Higher Education Amendments of 1992, Public Law 102-325, Title IV.

Description: Institutional matching requirements (Name, Fed Match, State Match)  
 Fed Supplemental Educational Opportunity Grant: (F)75%; (S)25%  
 Fed Work Study: (F)75%; (S)25%  
 Federal Perkins Loan: (F)75%; (S)25%  
 Hawaii State Incentive/LEAP: (F)50%; (S)50%

Sanctions: None.

Operating funds:	Fiscal Year 2001-2002
State	6.00 *
	538,023 A
	162,091 B
Federal	1,000,000 N

Non-budget federal contracts/grants of \$648,307.

**Institutional Support - UOH Manoa**

Mandate:	Code of Federal Regulations Title 40, Protection of the Environment. Environmental Compliance.
Description:	Regulates activities involving hazardous wastes, underground storage tanks, asbestos, and toxic substances.
Sanctions:	Varies.
Operating funds:	Fiscal Year 2001-2002
State	6.00 * 292,384 A 173,255 B
Federal	0
Mandate:	10 Code of Federal Regulations chap. 1, Nuclear Regulatory Commission. Radiation Safety.
Description:	Regulates the use, storage, and disposal of radioactive materials.
Sanctions:	Varies.
Operating funds:	Fiscal Year 2001-2002
State	3.00 * 151,280 A 15,486 B
Federal	0
Mandate:	59 Federal Register 34496; 7 Code of Federal Regulations 350. Biological Safety.
Description:	Regulates the use of recombinant-DNA technology and field testing of genetically modified organisms.
Sanctions:	Varies.
Operating funds:	Fiscal Year 2001-2002
State	2.00 * 111,156 A 5,647 B
Federal	0
Mandate:	Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. (Amended in 1998 from the Student Right-to-Know and Campus Security Act of 1990, Title II).
Description:	Requires postsecondary institutions to disclose certain timely and annual information about campus crime and security policies; to include publishing and

distributing this information to all current students and employees and future applicants for enrollment or employment.

Sanctions: Non-compliance could result in the withdrawal of federal aid programs, “fines” of up to \$25,000 by the U.S. Department of Education, and other enforcement action.

Operating funds:	Fiscal Year 2001-2002	
State	3,210	A
	585	B
Federal	0	

Total UOH 100		
Operating funds:	Fiscal Year 2001-2002	
State	28.40	*
	4,493,264	A
	419,801	B
	0.10	*
	111,600	W
Federal	4.00	*
	7,567,845	N

**UOH 900                      UOH, System Wide Support**

Institutional Support - UOH, Systemwide Support

Mandate: Federal Student Loan Program.

Description: Not applicable.

Sanctions: Not applicable.

Operating funds:	Fiscal Year 2001-2002	
State	3.00	*
	297,500	A
Federal	0	

Non-budget federal appropriation of \$437,700 and position ceiling of 8.00.

Mandate: Drug-Free Workplace Act of 1988, Public Law 100-690, Title V. Drug-Free Schools and Communities Act Amendments of 1989, Public Law 101-226.

Description: Requires institutions of higher education to establish drug awareness programs for officers, employees, and students. At the University of Hawaii, the mandate is carried out two-fold: annual drug awareness notices that are sent to employees and students by the various campuses/offices and by the conduct of drug awareness training.

Sanctions: Loss of federal funding.

FEDERALLY MANDATED STATE PROGRAMS: FORMAL EDUCATION

Operating funds: Fiscal Year 2001-2002  
 State 4,923 A  
 Federal 0

Mandate: Jeanne Clery Disclosure of Campus Security Policy and Campus Crime Statistics Act. (Amended in 1998 from the Student Right-to-Know and Campus Security Act of 1990.)

Description: These are two separate consumer protection reporting requirements which require every postsecondary institution participating in the Title IV programs of the Higher Education Act to disclose: (1) statistics on the persistence and graduation (or completion) rates of students and student athletes; and (2) information on campus security.

Sanctions: Loss of Title IV funds.

Operating funds: Fiscal Year 2001-2002  
 State 0.75 \*  
 Federal 39,040 A  
 Federal 0

Mandate: Equal employment opportunity and affirmative action mandates:

Civil Rights Act of 1964, PL 88-352, Title VII, as amended by the Equal Employment Opportunity Act of 1972, PL 92-261, and the Civil Rights Act of 1991, PL 102-166.

Equal Pay Act of 1963, PL 88-38, as amended.

Age Discrimination in Employment Act of 1967, PL 90-202, as amended by the Older Workers Benefit Protection Act, PL 101-433.

Americans with Disabilities Act of 1990, PL 101-336, as amended.

Executive Order No. 11246, Sept. 28, 1965, 30 FR 12319, 12935, 3 CFR, Equal Employment Opportunity, as amended.

Rehabilitation Act of 1973, PL 93-112, Section 503, as amended by the Rehabilitation Act Amendments of 1992, PL 102-559.

Vietnam Era Veterans' Readjustment Assistance Act of 1974, PL 93-508, Section 402.

Civil Rights Act of 1964, PL 88-352, Title VI.

Education Amendments of 1972, PL 92-318, Title IX.

Rehabilitation Act of 1973, PL 93-112, Section 504.

Age Discrimination Act of 1975, PL 94-135, Title III.

Immigration Reform and Control Act of 1986, PL 99-603, as amended.

Description: Several mandates prohibiting employers from engaging in employment discrimination, requiring government contractors to engage in affirmative action efforts, and requiring recipients of federal financial assistance to insure nondiscrimination in programs, activities, and services.

Sanctions: Debarment of all federal funds to the University of Hawaii.

Operating funds:	Fiscal Year 2001-2002
State	5.00 *
	270,400 A
Federal	0

The University of Hawaii EEO/AA Office carries out state mandates which are similar to the federal ones outlined above. Accordingly, only a portion of the program's budget is devoted to carrying federal mandates.

**Career and Technical Education, Statewide Coordination**

Mandate: Carl D. Perkins Vocational and Technical Education Act, Public Law 105-332.

Description: The Perkins Vocational Act is similar to a federal grant-in-aid in that the Act places conditions on state spending and administration. The state cannot easily withdraw from the program because the Hawaii Department of Education and the University of Hawaii Community Colleges have come to rely on the federal funds for Career and Technical Education. The Act provides categorical grant awards to the State. The Act includes maintenance of effort provisions, matching requirements, and "non-supplant" clauses.

Sanctions: Disallowable costs, complete loss of federal assistance, fines and penalties.

Operating funds:	Fiscal Year 2001-2002
State	7.00 *
	369,745 A
Federal	4.00 *
	457,667 N

Total UOH 900	
Operating funds:	Fiscal Year 2001-2002
State	15.75 *
	981,608 A
Federal	4.00 *
	457,667 N

**PROGRAM AREA H: CULTURE AND RECREATION**

**Departments with Mandates:** Department of Accounting and General Services

**Programs with Mandates:**

AGS 881 Performing & Visual Arts Events

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	10.00	9.00					19.00
\$	1,916,651	4,074,309	738,787				6,729,747

**The Programs**

**AGS 881 Performing & Visual Arts Events**

**Mandate:** National Endowment for the Arts Partnership Agreement. Section 5(g)(2) of the Art Endowment authorizing legislation.

**Description:** In order to enter into a partnership agreement with the National Endowment for the Arts, the State must meet various guidelines, including maintaining sound fiscal and administrative procedures, having a board, completing a comprehensive planning process, and submitting final reports for completed awards. Funds awarded under these guidelines must be used to supplement and not supplant non-federal funds.

**Sanctions:** Hawaii as a state would be ruled ineligible to receive federal funding appropriated by Congress to support arts and cultural programming. This funding is administered by the National Endowment for the Arts.

**Operating funds:** Fiscal Year 2001-2002

State	10.00	*
	1,916,651	A
	9.00	*
	4,074,309	B
Federal	738,787	N

**PROGRAM AREA I: PUBLIC SAFETY**

**Departments with Mandates:** Department of the Attorney General (“ATG”), Department of Public Safety (“PSD”), Department of Land and Natural Resources (“LNR”), Department of Defense (“DEF”)

**Programs with Mandates:**

PSD 900 General Administration  
 ATG 231 State Criminal Justice Information and Identification  
 LNR 810 Prevention of Natural Disasters  
 DEF 110 Amelioration of Physical Disasters

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	123.05		40.45				163.50
\$	6,500,621		6,696,432				13,197,053

**The Programs**

**PSD 900 General Administration**

**Mandate:** Single Audit Act of 1984, Public Law 98-502, as amended by the Single Audit Amendments of 1996, Public Law 104-156; 31 United States Code 7501-07; OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations.

**Description:** Non-federal entities that expend \$300,000 or more in federal awards shall have a single audit conducted in accordance with OMB Circular A-133. These audits cover the entire operations of the department. The auditors provide opinions on the financial statements and schedule of expenditures of federal awards, and also provide reports on internal controls and compliance with laws, regulations, and the provisions of contracts or grant agreements.

**Sanctions:** If an audit is not conducted in accordance with OMB Circular A-133, federal agencies may (a) withhold a percentage of federal awards until the audit is completed satisfactorily; (b) withhold or disallow overhead costs; (c) suspend federal awards until the audit is conducted; or (d) terminate the federal award.

**Operating funds:** Fiscal Year 2001-2002  
 State 190,000 A  
 Federal 0

**ATG 231 State Criminal Justice Information and Identification**

Mandate: Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act as amended by Megan’s Law, Public Law No. 104-145.

Description: Requires states to establish sex offender registration programs pursuant to guidelines published by the Department of Justice in the Federal Register (61 Federal Register 15110) and requires public notification of sex offender registration information. The National Sex Offender Registry Assistance Program was established in 1998 to help states develop registries and reporting to the FBI’s national file.

Sanctions: (A crossover.) A 10% reduction in the State’s funding under the Edward Byrne Memorial State and Local Law Enforcement Assistance Grant if not in compliance by September 1997.

Operating funds: Fiscal Year 2001-2002

State	2.00	*
	50,000	A
Federal	0	

**LNR 810 Prevention of Natural Disasters**

Mandate: National Flood Insurance Act of 1968, Public Law 90-448.

Description: The FEMA National Flood Insurance Program (“NFIP”) is a federal program enabling property owners to purchase insurance protection against losses from flooding. Participation in the NFIP is based on an agreement between local communities and the federal government which states that if a community will implement and enforce measures to reduce future flood risks to new construction in identified flood hazard areas, the federal government will make flood insurance available within the community as a financial protection against flood losses which do occur. The State’s role is to administer the program by working with the counties to ensure their compliance with NFIP rules and regulations. State activities may include community assistance contacts with the counties, participation in conferences or meetings, and providing information or technical assistance to the public.

Sanctions: Community participation in the NFIP is voluntary. However, if a Presidentially declared disaster due to flooding occurs in a non-participating community, no federal assistance can be provided to that community.

Operating funds: Fiscal Year 2001-2002

State	0.25	*
	15,000	A
Federal	0.75	*
	45,000	N

**DEF 110 Amelioration of Physical Disasters**

Mandate: Hawaii National Guard

National Defense Act of 1920, also known as the Dick Act, ch. 227, 41 Statutes at Large 765, 787.

**Description:** While the State Constitution and state statutes provide for a state militia, the National Guard in this State (“State militia”, when not on federal active duty) and the several states have long been under federal statutory control. The National Defense Act of 1920 is regarded as the enabling legislation that brought the militias of the several states more fully into the federal military reserve system without undermining state authority. This Act expanded federal resource commitments to state militias, to prepare them for federal active duty, should the need arise.

**Sanctions:** Loss of federal support for the Hawaii National Guard. Trained military personnel and equipment would be unavailable to ameliorate state disasters and other civil emergencies. Replacement costs for the Hawaii National Guard, or other alternatives, would likely be cost prohibitive or less effective. The State is dependent upon federal resource support for carrying out the federal mandate. Noncompliance could significantly and adversely affect the State’s ability to meet public safety needs.

<b>Operating funds:</b>	Fiscal Year 2001-2002
State	102.30 *
	5,352,617 A
Federal	33.20 *
	5,452,951 N

**Mandate:** State Civil Defense

Federal Civil Defense Act of 1950, ch. 1228, 64 Statutes at Large 1245.

**Description:** States receive federal support to manage, plan, train, and exercise civil defense systems that are designed and operated in accordance with federal standards. The original purpose of the Act was to support nuclear attack defense planning and preparedness. However, over the years the Act has evolved to include preparation of responses to other disasters or civil emergencies brought on by natural or man-made causes.

**Sanctions:** Loss of state funds would result in a significant reduction of federal resources, since many of the expenses incurred maintain a cost-sharing relationship between the State and the federal government. This would further result in the deterioration of civil defense infrastructures and an inadequate level of system readiness in responding to disasters. Civil defense infrastructure maintenance, hazard mitigation evaluations, hazardous materials training, and evacuation shelter operation would also be critically impaired.

<b>Operating funds:</b>	Fiscal Year 2001-2002
State	18.50 *
	893,004 A

FEDERALLY MANDATED STATE PROGRAMS: PUBLIC SAFETY

Federal	6.50 *
	1,198,481 N
Total DEF 110	
Operating funds: Fiscal Year 2001-2002	
State	120.80 *
	6,245,621 A
Federal	39.70 *
	6,651,432 N

**PROGRAM AREA J: INDIVIDUAL RIGHTS**

**Departments with Mandates:** Department of Commerce and Consumer Affairs (“CCA”),  
Department of Agriculture (“AGR”)

**Programs with Mandates:**  
CCA 105 Professional, Vocational & Personal Services  
AGR 812 Measurement Standards

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	1.44	56.00		4.00			61.44
\$	54,500	3,739,877		1,421,467			5,215,844

**The Programs**

**CCA 105 Professional, Vocational & Personal Services**

Mandate: (1) 42 United States Code Sections 1395i-3 and 1396R.  
(2) 12 United States Code Section 3301 et seq.

Description: (1) The State adopted federal minimum requirements regarding the certification of nurse aids.  
(2) The State adopted stricter standards than the federal minimum requirements regarding the certification of real estate appraisers whose appraisals are used in federally related transactions.

Sanctions: (1) Loss of federal funds by the state Department of Human Services.  
(2) Federally related transactions cannot be processed.

Operating funds: Fiscal Year 2001-2002  
State 56.00 \*  
3,739,877 B  
4.00 \*  
1,421,467 T  
Federal 0

**AGR 812 Measurement Standards**

Mandate: Petroleum Marketing Practices Act, June 19, 1978, Public Law 95-297, as amended by Public Law 102-486, Oct. 24, 1992; 15 United States Code Section 2821. 16 Code of Federal Regulation Part 306.

Description: Requires states to monitor whether gasoline retailers display the octane ratings of gasoline in a clear and conspicuous manner on service station gasoline dispensers.

FEDERALLY MANDATED STATE PROGRAMS

Sanctions: If the State chooses not to enforce the Act, no federal agency will step in to do so.

Operating funds: Fiscal Year 2001-2002  
 State 0.04 \*  
 1,500 A  
 Federal 0

Mandate: (1) Federal Meat Inspection Act, Dec. 15, 1967, Public Law 90-201, as amended.  
 (2) Poultry Products Inspection Act, Aug. 28, 1957, Public Law 85-172, as amended. 9 Code of Federal Regulations Parts 317 and 381.

Description: Establishes uniform criteria for federal, state, and local agencies to use when inspecting and testing scales. Requires states to monitor whether the meat and poultry industries (packing houses, warehouses, and retailers) follow uniform net weight labeling requirements and uniform procedures for determining the net content of containers. Reasonable variations are permitted the industries regarding the label statements of the net weight contents of containers.

Sanctions: None.

Operating funds: Fiscal Year 2001-2002  
 State 0.10 \*  
 4,000 A  
 Federal 0

Mandate: Fair Packaging and Labeling Act, Nov. 3, 1966, Public Law 89-755; 15 United States Code Section 451. 21 Code of Federal Regulations Parts 101, 201, 701, and 801.

Description: Requires states to monitor whether manufacturers, packers, and producers of consumer commodities adhere to basic labeling and net content requirements for the packaging of consumer commodities. Establishes uniform net weight labeling requirements, allowing reasonable variations for label statements of the net weight contents of containers, as long as the quantity of the contents is accurately represented to the ultimate consumer.

Sanctions: If the State chooses not to enforce the Act, no federal agency will step in to do so.

Operating funds: Fiscal Year 2001-2002  
 State 1.30 \*  
 49,000 A  
 Federal 0

Total AGR 812  
 Operating funds: Fiscal Year 2001-2002  
 State 1.44 \*  
 54,500 A  
 Federal 0



**PROGRAM AREA K: GOVERNMENT-WIDE SUPPORT**

**Departments with Mandates:** Department of Budget and Finance (“BUF”), Office of the Lieutenant Governor (“LTG”), Department of the Attorney General (“ATG”)

**Programs with Mandates:**

- BUF 101 Program Planning, Analysis and Budgeting
- LTG 102 Office of Elections
- BUF 115 Financial Administration
- ATG 100 Legal Services

**Summary of Operating Funds and Position Ceilings Under the Budget Act for Federally Mandated Programs During Fiscal Year 2001-2002**

	A	B	N	T	U	W	Total
*	1.91	4.00	12.00				17.91
\$	566,768	488,894	940,678				1,996,340

**The Programs**

**BUF 101 Program Planning, Analysis and Budgeting**

**Mandate:** OMB Circular A-87, “Cost Principles for State and Local Governments”.

**Description:** The State is required to prepare and submit for federal review, annual statewide central service cost allocation plans (“SWCAP”) and fringe benefit rate proposals that abide by federal accounting requirements in order to recover certain costs expended by the State on behalf of federal grants, contracts, and programs.

**Sanctions:** Without approval by the U.S. Department of Health and Human Services (on behalf of the federal government) of the SWCAP and fringe benefit rate proposal, the State would not be able to recover certain costs from the federal government. These costs include services provided by the staff agencies (e.g., Accounting and General Services, Budget and Finance, and Human Resources Development) and fringe benefit costs (pension accumulation, pension administration, retiree health insurance, health fund, workers’ compensation, unemployment compensation and social security). Approximately \$3 million for central services and \$20 million for fringe benefits are recovered from federal programs annually.

**Operating funds:** Fiscal Year 2001-2002  
 State 42,500 A  
 Federal 0

**LTG 102 Office of Elections**

**Mandate:** The Voting Rights Act of 1965, Public Law 89-110, as amended by the Voting Rights Language Assistance Act of 1992, Public Law 102-344 (42 U.S.C. 1973 et

seq.)

- Description:
- (1) Prohibits the State from imposing or applying election laws or procedures which discriminate against individuals on account of race, color, or language minority status.
  - (2) Prohibits State use of discriminatory redistricting plans and of electoral systems that dilute minority voting strength.
  - (3) Bans literacy tests and other devices as a condition for voter registration.
  - (4) Provides any voter who requires assistance to vote by reason of blindness, disability, or inability to read or write may be given assistance by a person of the voter's choice other than the voter's employer or agent of that employer or officer or agent of the voter's union.
  - (5) Provides registration, voting materials, and oral assistance in the language of a qualified language minority group as well as English.
  - (6) Requires State to enforce residency requirements for Presidential and Vice Presidential elections.

In particular, the State, City and County of Honolulu, and Counties of Kauai and Maui have been determined by the Bureau of Census (of the Department of Commerce) as being subject to the minority language assistance requirements of Section 203 of the Voting Rights Act, with respect to Filipino Americans and Japanese Americans. (NOTE: Language requirements will change given the 2000 Census.)

This Act is intended to protect racial minority and language minority groups in accordance with the 15th Amendment of the U.S. Constitution.

Sanctions: A fine of up to \$5,000, or imprisonment of up to five years, or both, for individuals violating the law.

For certain "covered" states and jurisdictions, the following preemptive actions could take place in order to terminate racial or language minority discrimination practices by state or local governments: (1) the state or jurisdiction is prohibited from executing new election laws and procedures without pre-clearance from the U.S. Attorney General or the U.S. District Court in the District of Columbia; and (2) the U.S. Office of Personnel Management appoints federal examiners (to register voters) and election observers.

Operating funds:	Fiscal Year 2001-2002
State	0.17 *
	11,442 A
Federal	0

Mandate: The Voting Accessibility for the Elderly and Handicapped Act of 1984, Public Law 98-435 (42 U.S.C. 1973ee through 1973ee-6)

Description: Requires State to provide registration facilities, polling places, and voting aids for federal elections that are accessible to elderly and handicapped voters.

Sanctions: Action for declaratory or injunctive relief.

FEDERALLY MANDATED STATE PROGRAMS: GOVERNMENT-WIDE SUPPORT

Operating funds: Fiscal Year 2001-2002  
 State 0.08 \*  
 50,000 A  
 Federal 0

Mandate: The Uniformed and Overseas Citizens Absentee Voting Act of 1986, Public Law 99-410 (42 U.S.C. 1973ff through 1973ff-6, 39 U.S.C. 3406, and 18 U.S.C. 608-609)

Description: States must permit members of the uniformed services and merchant marines, their eligible family members, and civilian U.S. citizens residing outside the U.S., to register and vote absentee for all federal elections.

Sanctions: Declaratory or injunctive relief. Fines or five years imprisonment, or both.

Operating funds: Fiscal Year 2001-2002  
 State 0.08 \*  
 1,764 A  
 Federal 0

Mandate: The National Voter Registration Act of 1993, Public Law 103-31 (42 U.S.C. 1973gg and 11 CFR 8)

Description: States must establish procedures to:  
 (1) Increase the number of eligible citizens registering to vote in federal elections.  
 (2) Ensure that accurate and current voter registration rolls are maintained.  
 (3) Enhance the participation of eligible citizens as voters in elections for federal office.

Sanctions: Declaratory or injunctive relief. Fines or five years imprisonment, or both.

Operating funds: Fiscal Year 2002-2002  
 State 1.00 \*  
 42,330 A  
 Federal 0

Mandate: Civil Rights Act of 1960, Public Law 86-449, (42 U.S.C. ch. 20, subch. II, Federal Election Records, 1974-1974e).

Description: Election officials in all jurisdictions, and for all elections in which a federal candidate is on a ballot, must preserve for 22 months "all records and papers which came into (their) possession relating to an application, registration, payment of a poll tax, or other act requisite to voting."

The Department of Justice considers this law as covering all voter registration records, all poll lists and similar documents reflecting the identity of voters casting ballots at the polls, all applications for absentee ballots, all envelopes in which

absentee ballots are returned for tabulation, all documents containing oaths of voters, all documents relating to challenges to vote or absentee ballots, all tally sheets and canvas reports, all records reflecting the appointment of persons entitled to act as poll officials or poll watchers, and all computer programs used to tabulate votes electronically. In addition, the Department of Justice construes the phrase “other act requisite to voting” as requiring the retention of the ballots themselves, at least in those jurisdictions where a voter’s electoral preference is manifested by the voter’s marking a piece of paper or punching holes in a computer card.

Sanctions: A fine of up to \$1,000, imprisonment of up to one year, or both, against an individual willfully destroying any election documentation.

Operating funds:	Fiscal Year 2001-2002
State	0.08 *
	106,610 A
Federal	0

Mandate: Americans with Disabilities Act of 1990 (42 U.S.C. 12101 Note)

Description: To provide clear, strong, consistent, enforceable standards addressing discrimination against individuals with disabilities.

Sanctions: Injunctive relief and damages.

Operating funds:	Fiscal Year 2001-2002
State	0.50 *
	12,122 A
Federal	0

Total LTG 102	
Operating funds:	Fiscal Year 2001-2002
State	1.91 *
	224,268 A
Federal	0

The Counties of Hawaii, Maui, Kauai, and the City and County of Honolulu also expend funds to these programs. The Counties’ costs are not included in the provided figures.

**BUF 115 Financial Administration**

Mandate: Cash Management Improvement Act of 1990, Public Law 101-453, as amended.

Description: Requires states, for agreements executed with the federal government, to pay interest to the federal government on any federal funds drawn and held by the states, until the funds have been expended.

Sanctions: Failure to pay the amount of interest due constitutes default. The amount of interest due can be levied against the State.

FEDERALLY MANDATED STATE PROGRAMS: GOVERNMENT-WIDE SUPPORT

Operating funds: Fiscal Year 2001-2002  
 State 145,000 A  
 Federal 0

Mandate: Tax Reform Act of 1986 (Internal Revenue Code of 1986)

Description: Requires states to rebate the federal government investment earnings from general obligation bond proceeds in excess of allowable earnings. Allowable earnings are defined as the amount which would have been earned if bond proceeds were invested at a rate equal to the arbitrage yield on the issued general obligation bonds.

Sanctions: Failure to comply with the requirements of the Tax Reform Act will result in monetary penalties to the State.

Operating funds: Fiscal Year 2001-2002  
 State 155,000 A  
 Federal 0

Total BUF 115  
 Operating funds: Fiscal Year 2001-2002  
 State 300,000 A  
 Federal 0

**ATG 100 Legal Services**

Mandate: Medicaid Fraud Control Unit requirement under 42 United States Code section 1396.

Description: Requires the State to operate a Medicaid Fraud and abuse control unit if it receives Medicaid funds.

Sanctions: Withholding of federal monies from the Medicaid program if the fraud program is not in place.

Operating funds: Fiscal Year 2001-2002  
 State 4.00 \*  
 488,894 B  
 12.00 \*  
 Federal 940,678 N

## Chapter 3

### **SUMMARY OF OPERATING FUNDS AND POSITION CEILINGS UNDER THE BUDGET ACT FOR FEDERALLY MANDATED PROGRAMS DURING FISCAL YEAR 2001-2002**

#### **I. Preliminaries**

As stated previously, responses to the Bureau's survey were received from the Offices of the Governor and the Lieutenant Governor, and seventeen of the eighteen executive branch departments. No response was received from the Department of Human Resources Development in time for inclusion in the report.

The survey looked at operating funds appropriated under the General Appropriations Act of 2001 to implement federally mandated programs during fiscal year 2001-2002. The survey also looked at position ceilings authorized under the act to implement those federally mandated programs.

The following sections of this chapter provide different perspectives on the overall funds and position ceilings for mandated programs developed from the data in the previous chapter:

Section II discusses funds and position ceilings by means of financing;

Section III contrasts funds and position ceilings among fiscal years 1997-1998, 1998-1999, and 2001-2002;

Section IV discusses funds and position ceilings by program area;

Section V discusses funds and position ceilings by department;

Section VI discusses funds and position ceilings by federal mandate; and

Section VII concludes the chapter and makes some recommendations.

#### **II. Funds and Position Ceilings for Mandated Programs in the Budget Act for Fiscal Year 2001-2002 by Means of Financing**

Of the nine means of financing under the grand total operating budget, six means of financing provide funding or permanent staff positions for federally mandated programs in fiscal year 2001-2002. Total operating funds appropriated for federally mandated programs under these six means of financing ("MOF") are \$2,080,397,216. This amount represents about 29 per cent of the entire grand total operating budget in that fiscal year of \$7,187,121,190.

*SUMMARY OF OPERATING FUNDS AND POSITION CEILINGS*

Correspondingly, the overall position ceiling authorized under those means of financing for federally mandated programs is 8,897.39. This amount represents about 20 per cent of the entire grand total position ceiling in that same fiscal year of 43,702.52.

Table 3A below provides a break out by the six means of financing for the total funding amounts and position ceilings for mandated programs in fiscal year 2001-2002:

**Table 3A: Funds and Position Ceilings by Means of Financing for Federally Mandated Programs in Fiscal Year 2001-2002**

Means of Financing	Mandate Funds	Mandate Positions
General funds (A) –State	956,705,362	7,135.48
Special funds (B) –State	197,829,298	161.30
Other federal funds (N) –Federal	784,460,653	1,515.87
Trust funds (T) –State	4,067,352	17.94
Transfers (U) –State	32,698,123	0.50
Transfers (U) –Federal	2,780,106	1.00
Revolving funds (W) –State	4,101,592	24.10
Revolving funds (W) –Federal	97,754,730	41.20
<b>Total</b>	<b>2,080,397,216</b>	<b>8,897.39</b>

Specifically, the general funds amount of \$956,705,362 for mandated programs represents about 27 per cent of the entire general funds appropriation of \$3,474,013,991 in the budget act for fiscal year 2001-2002. Correspondingly, the general funds position ceiling of 7,135.48 for mandated programs represents about 21 per cent of the total general fund position ceiling of 33,968.12 for the same period.

Total state funds for mandated programs, based on Table 3A, are \$1,195,401,727. These funds are comprised of \$956,705,362 in general funds, \$197,829,298 in special funds, \$4,067,352 in trust funds, \$32,698,123 in interdepartmental transfers, and \$4,101,592 in revolving funds. The total state funds for mandated programs comprise about 17 per cent of the grand total operating budget of \$7,187,121,190.

Total federal funds are \$884,995,489. These funds are comprised of \$784,460,653 in other federal funds (“N” funds), \$2,780,106 in interdepartmental transfers, and \$97,754,730 in revolving funds. The total federal funds for mandated programs comprise about 12 per cent of the grand total operating budget.

Thus, in terms of burden-sharing between the State and the federal government for the cost of carrying out federal mandates, the State provides \$1.35 against every \$1.00 provided by the federal government.

Correspondingly, the overall state-funded position ceiling for mandated programs is 7,339.32. It is comprised of a general fund position ceiling of 7,135.48, a special fund position ceiling of 161.30, a trust fund position ceiling of 17.94, an interdepartmental transfer fund position ceiling of 0.50, and a revolving fund position ceiling of 24.10. The total state-funded position ceiling for mandated programs comprises about 17 per cent of the overall position ceiling of 43,702.52 under the grand total operating budget.

The overall federal-funded position ceiling is 1,558.07. It is comprised of an other federal fund position ceiling of 1,515.87, an interdepartmental transfer fund position ceiling of 1.00, and a revolving fund position ceiling of 41.20. The total federal-funded position ceiling for mandated programs comprises about 3 per cent of the overall position ceiling under the grand total operating budget.

Thus, in terms of burden-sharing between the State and the federal government, the state funds a position ceiling of 4.71 for every 1.00 position that is federally funded.

In summary, table 3B below restates the information in Table 3A in terms of merely state and federal funds, rather than by the specific means of financing. Furthermore, the table also restates the proportion of the grand total operating budget devoted to carrying out federal mandates, in terms of state and federal funds.

**Table 3B: State and Federal Funds and Position Ceilings for Federally Mandated Programs in Fiscal Year 2001-2002**

Mandates	Funds	% of State Budget	Positions	% of State Budget
State funds	1,195,401,727	17%	7,339.32	17%
Federal funds	884,995,489	12%	1,558.07	3%
Total	2,080,397,216	29%	8,897.39	20%

### **III. Funding Shifts for Mandated Programs Compared Among Fiscal Years 1997-1998, 1998-1999, and 2001-2002**

#### **A. Mandate Funds and Position Ceilings: Increases Between Fiscal Years**

One way to look at funding shifts between the State and federal government with regard to federal mandates is to look at the funding figures and position ceilings for mandated programs in fiscal year 2001-2002 and determine the extent to which those figures and ceilings have increased or decreased over figures and ceilings from previous fiscal years.

The figures for these fiscal years are presented in table 3C below. (There are no mandate figures available for fiscal years 1999-2000 and 2000-2001.)

**Table 3C: Mandate Funding Figure Increases Between Fiscal Years**

Funds and Positions	FY 1997-1998	FY 1998-1999	% ↑ over FY97-98	FY 2001-2002	% ↑ over FY98-99
State Portion	-- 869,828,757	6,093.30* 975,095,864	-- 12%	7,339.32* 1,195,401,727	20%* 23%
Fed Portion	-- 583,031,060	1,429.81* 665,888,050	-- 14%	1,558.07* 884,995,489	9%* 33%
Mandate Total	-- 1,452,859,817	7,523.11* 1,640,983,914	-- 13%	8,897.39* 2,080,397,216	18%* 27%
State Budget	-- 5,782,448,512	41,587.67* 5,730,944,043	-- (1%)	43,702.52* 7,187,121,190	5%* 25%

With regard to funding, between fiscal years 1998-1999 and 2001-2002, state funds appropriated for mandated programs increased 23 per cent, from \$975,095,864 to \$1,195,401,727. Federal funds appropriated for mandated programs increased 33 per cent, from \$665,888,050 to \$884,995,489. Together state and federal funds increased 27 per cent, from \$1,640,983,914 to \$2,080,397,216. In comparison the grand total operating budget increased 25 per cent, from \$5,730,944,043 to \$7,187,121,190.

With regard to position ceilings, between fiscal years 1998-1999 and 2001-2002, state funded position ceilings for mandated programs increased 20 per cent, from 6,093.30 to 7,339.32. Federal funded position ceilings for mandated programs increased 9 per cent, from 1,429.81 to 1,558.07. State and federal funded position ceilings increased 18 per cent, from 7,523.11 to 8,897.39. In comparison the overall position ceiling in the grand total operating budget increased 5 per cent, from 41,587.67 to 43,702.52.

**B. Mandate Funds and Position Ceilings: As a Proportion of the Grand Total Operating Budget**

Another way to look at funding shifts is to look at the state budget and determine whether mandated programs in fiscal year 2001-2002 make up a larger or a smaller proportion of the state budget than they did in previous fiscal years.

As stated previously, in fiscal year 2001-2002, total funds for mandated programs account for 29 per cent of the grand total operating budget. For mandated programs, state funds account for 17 per cent of the budget while federal funds account for 12 per cent of the budget. Correspondingly, the overall position ceiling for mandated programs accounts for 20 per cent of the overall position ceiling in the grand total operating budget. For mandated programs, the state funded position ceiling accounts for 17 per cent of the overall position ceiling in the budget while the federal funded position ceiling accounts for 3 per cent of the overall position ceiling in the budget.

These percentages for fiscal year 2001-2002, along with available percentages for fiscal years 1997-1998 and 1998-1999, are indicated in tables 3D and 3E below for funds and position ceilings respectively.

**Table 3D: Federal Mandate Funds as a Proportion of the Grand Total Operating Budget: Fiscal Years Compared**

Funds	FY 1997-1998	FY 1998-1999	FY 2001-2002
Mandate funds (all)	1,452,859,817	1,640,983,914	2,080,397,216
State portion	869,828,757	975,095,864	1,195,401,727
Federal portion	583,031,060	665,888,050	884,995,489
Total state budget	5,782,448,512	5,730,944,043	7,187,121,190
% of Total State Budget			
Mandate funds	25%	29%	29%
State portion	15%	17%	17%
Federal portion	10%	12%	12%

The figures in table 3D indicate that in fiscal year 2001-2002 the proportion of funds in the state budget appropriated to carry out federal mandates is the same as that in fiscal year 1998-1999. In both years, total funds for mandated programs make up 29 per cent of the grand total operating budget. In both years, state funds make up 17 per cent of the state budget while federal funds make up 12 per cent of the budget.

Apparently, the numbers for fiscal years 1998-1999 and 2001-2002 suggest that a level of stability has been reached following the increases between fiscal years 1997-1998 and 1998-1999. Between those two consecutive fiscal years, total funds for mandated programs, as a proportion of the total state budget, rose from 25 per cent to 29 per cent. As a proportion of the total state budget, state funds for mandated programs rose from 15 per cent to 17 per cent. Federal funds for mandated programs rose from 10 per cent to 12 per cent.

**Table 3E: Federal Mandate Position Ceilings as a Proportion of the Grand Total Operating Budget: Fiscal Years Compared**

Position Ceilings	FY 1997-1998	FY 1998-1999	FY 2001-2002
Mandate ceiling	--	7,523.11	8,897.39
State portion	--	6,093.30	7,339.32
Federal portion	--	1,429.81	1,558.07
Total state budget	--	41,587.67	43,702.52
% of Total State Budget	FY 1997-1998	FY 1998-1999	FY 2001-2002
Mandate positions	--	18%	20%
State portion	--	15%	17%
Federal portion	--	3%	3%

As indicated in table 3E above, in fiscal year 2001-2002 the proportion of the overall position ceiling in the state budget authorized for mandated programs has changed over those in fiscal year 1998-1999. The percentage of position ceilings funded by state and federal funds grew from 18 per cent of the overall position ceiling in the total grand operating budget in fiscal year 1998-1999 to 20 per cent in fiscal year 2001-2002. This growth is apparently due to an increase in the percentage of the state funded position ceiling. The state funded position ceiling grew from 18 per cent to 20 per cent of the overall position ceiling in the budget, while the federal funded position ceiling remained at 3 per cent of the overall ceiling in the budget.

**C. Mandate Funds and Position Ceilings: State Portions and Federal Portions**

Still another way to look at funding shifts is to look at only the mandated funds and positions in fiscal year 2001-2002 and determine whether the State's portion has increased or decreased over the years as against the federal government's portion.

As indicated in table 3F below, in fiscal year, 1997-1998, the State provided 60 per cent of the total funding for mandated programs while the federal government provided 40 per cent. That is, the State provided \$1.49 for every \$1.00 of federal funds. In fiscal year 1998-1999, the State provided 59 per cent of the total funding for mandated programs while the federal government provided 41 per cent. That is, the State provided \$1.46 for every \$1.00 of federal funds. In fiscal year 2001-2002, the State provides 57 per cent as against the federal government's 43 per cent. Stated otherwise, the State provides \$1.35 for every \$1.00 of federal funds.

Thus, it appears that over the years the State's share has been progressively decreasing as against the federal share. The State appears to be shouldering a decreasing percentage of the total costs as against the federal government.

**Table 3F: Funding Figures Among Fiscal Years 1997-1998, 1998-1999, and 2001-2002**

Funds	FY 1997-1998	FY 1998-1999	FY 2001-2002
Mandate funds	1,452,859,817	1,640,983,914	2,080,397,216
State portion	869,828,757	975,095,864	1,195,401,727
Federal portion	583,031,060	665,888,050	884,995,489
State share	60%	59%	57%
Federal share	40%	41%	43%
State-federal ratio	1.49 to 1.00	1.46 to 1.00	1.35 to 1.00

In terms of position ceilings funded by mandated programs, table 3G below summarizes the differences in funded position ceilings between fiscal years 1998-1999 and 2001-2002:

**Table 3G: Position Ceilings Between Fiscal Years 1998-1999 and 2001-2002 Compared**

Position Ceilings	FY 1997-1998	FY 1998-1999	FY 2001-2002
Mandate positions	--	7,523.11	8,897.39
State portion	--	6,093.30	7,339.32
Federal portion	--	1,429.81	1,558.07
State share	--	81%	82%
Federal share	--	19%	18%
State-federal ratio	--	4.26 to 1.00	4.71 to 1.00

In other words, in fiscal year 1998-1999, the State funded 81 per cent of the overall position ceiling for mandated programs while the federal government funded 19 per cent. That is, the State funded a position ceiling of 4.26 for every single position ceiling funded by the federal government. In fiscal year 2001-2002, the State funds 82 per cent of the overall position ceiling as against the federal government's 18 per cent. Stated otherwise, the State funds a position ceiling of 4.71 for every single position ceiling funded by the federal government.

The remaining sections in this chapter generally return to a discussion of mandated funds and position ceilings for only the fiscal year 2001-2002. No comparisons are made with comparable figures for previous fiscal years.

#### **IV. Program Area Operating Budgets for Mandated Programs During Fiscal Year 2001-2002**

The state budget act is organized around several different program areas. Thus, one way to see where in state government federal mandates are carried out is to look at which program areas have federally mandated programs. As it turned out, federally mandated programs were reported in all eleven program areas of the state budget for fiscal year 2001-2002.

An earlier table showed the distribution of mandate funds among the different means of financing. General funds were \$956,705,362 and the accompanying position ceiling was 7,135.48. Special funds were \$197,829,298 and the accompanying position ceiling was 161.30. Other federal funds ("N funds") were \$784,460,653 and the accompanying position ceiling was 1,515.87. Trust funds were \$4,067,352 and the accompanying position ceiling was 17.94. Interdepartmental transfers totaled \$35,478,229 in state and federal funds and the accompanying position ceiling was 1.50. Revolving funds totaled \$101,856,322 in combined state and federal funds and the accompanying position ceiling was 65.30.

SUMMARY OF OPERATING FUNDS AND POSITION CEILINGS

For each means of financing, Table 3H below shows the distribution of those mandate funds and position ceilings among the eleven different program areas of the operating budget. The highlighted boxes indicate the program areas and the means of financing in which the bulk of funds or position ceilings are appropriated or authorized for mandated programs:

**Table 3H: Program Area Operating Budgets and Position Ceilings for Federally Mandated Programs During Fiscal Year 2001-2002**

Prog	A	B	N	T	U	W	Budget
Econ Dev	2.25* 74,250	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	2.25* 74,250
Employ	58.67* 5,123,458	0.00* 166,100,000	468.43* 56,729,647	0.00* 0	0.00* 0	0.00* 1,330,200	527.10* 229,283,305
Trans Fac	0.00* 0	39.30* 3,215,168	1.50* 1,996,206	0.00* 0	0.00* 0	0.00* 0	40.80* 5,211,374
Env Pro	81.00* 3,956,285	50.00* 8,004,481	55.60* 8,064,850	0.00* 0	0.00* 0	65.20* 100,414,522	251.80* 120,440,138
Health	1,401.00* 233,771,577	3.00* 11,786,768	119.00* 32,027,838	0.00* 0	1.00* 2,500,000	0.00* 0	1,524.00* 280,086,183
Soc Serv	1,066.51* 459,221,342	0.00* 0	808.89* 642,615,708	13.94* 2,645,885	0.50* 32,978,229	0.00* 0	1,889.84* 1,137,461,164
Lower Ed	4,345.50* 240,045,038	0.00* 0	2.00* 26,624,995	0.00* 0	0.00* 0	0.00* 0	4,347.50* 266,670,033
Higher Ed	44.15* 5,474,872	0.00* 419,801	8.00* 8,025,512	0.00* 0	0.00* 0	0.10* 111,600	52.25* 14,031,785
Culture And Rec	10.00* 1,916,651	9.00* 4,074,309	0.00* 738,787	0.00* 0	0.00* 0	0.00* 0	19.00* 6,729,747
Public Safety	123.05* 6,500,621	0.00* 0	40.45* 6,696,432	0.00* 0	0.00* 0	0.00* 0	163.50* 13,197,053
Indiv Rights	1.44* 54,500	56.00* 3,739,877	0.00* 0	4.00* 1,421,467	0.00* 0	0.00* 0	61.44* 5,215,844
Gov-w Supt	1.91* 566,768	4.00* 488,894	12.00* 940,678	0.00* 0	0.00* 0	0.00* 0	17.91* 1,996,340
Total	7,135.48* 956,705,362	161.30* 197,829,298	1,515.87* 784,460,653	17.94* 4,067,352	1.50* 35,478,229	65.30* 101,856,322	8,897.39* 2,080,397,216

As table 3H above, indicates, the social services program area receives the bulk of (total) federal mandate funds, and those funds are comprised primarily by general and federal funds. Other program areas with sizable amounts of funds are health and lower education, whose funds are primarily general funds; employment, whose funds are primarily special funds; and environmental protection, primarily revolving funds. Funding for these five program areas constitute nearly all of the federal mandate funds across all program areas and all means of financing.

With regard to position ceilings, the bulk of them are funded through general funds. Specifically, the general funded position ceilings for lower education, health, and social services constitutes about three-fourths of all positions ceilings for federally mandated programs among all program areas and means of financing. The general funded position ceiling for lower education alone constitutes nearly half of all such position ceilings among all program areas and means of financing.

## **V. Department Operating Budgets and Position Ceilings for Federally Mandated Programs During Fiscal Year 2001-2002**

Although the state budget act is organized around several different program areas, it is the several different executive branch departments that carry out the various programs authorized in the budget act. Thus, perhaps a more user-friendly way to see where in state government the federal mandates are carried out is to look at which departments, rather than which program areas, have federally mandated programs.

As stated earlier, nineteen of the twenty departments (including the Office of the Governor and the Office of the Lieutenant Governor) surveyed submitted responses. The Department of Human Resources Development was the only agency not submitting a response. Of the nineteen responding departments, fifteen reported that they carry out federally mandated programs that receive funding or position ceilings. The four that reported carrying out no federally mandated programs that receive any funding or position ceilings are the Office of the Governor, the Department of Business, Economic Development and Tourism, the Department of Hawaiian Home Lands, and the Department of Taxation.

The total operating budget for the executive branch appropriated under the General Appropriations Act of 2001 for fiscal year 2001-2002 is \$7,184,586,190 (\$7,187,121,190 of the grand total operating budget less \$2,535,000 in general fund subsidies for private hospitals and medical services.) Of that total operating budget \$2,080,397,216, or about 29 per cent, is appropriated for federally mandated programs. Of the total position ceiling of 43,702.52 authorized for the executive branch in the budget act, a position ceiling of 8,897.39, or about 20 per cent of the total, is for mandated programs.

For each means of financing, table 3H above showed the distribution of mandate funds among the several program areas of the state budget. Table 3I below redistributes those mandate funds among the several departments in the executive branch. The highlighted boxes indicate the departments and the means of financing in which the bulk of funds or position ceilings are appropriated or authorized for mandated programs:

SUMMARY OF OPERATING FUNDS AND POSITION CEILINGS

**Table 3I: Department Operating Budgets for Federally Mandated Programs  
During Fiscal Year 2001-2002**

Dept.	A	B	N	T	U	W	Dept. Budget
AGR	19.69* 771,376	0.00* 0	0.00* 350,000	0.00* 0	0.00* 0	4.00* 650,751	23.69* 1,772,127
AGS	10.00* 1,916,651	9.00* 4,074,309	0.00* 738,787	0.00* 0	0.00* 0	0.00* 0	19.00* 6,729,747
ATG	54.36* 1,830,382	4.00* 488,894	140.70* 14,536,985	13.94* 2,645,885	0.00* 0	0.00* 0	213.00* 19,502,146
BED	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0
BUF	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0
CCA	0.00* 0	56.00* 3,739,877	0.00* 0	4.00* 1,421,467	0.00* 0	0.00* 0	60.00* 5,161,344
DEF	133.80* 6,650,060	0.00* 0	39.70* 6,651,432	0.00* 0	0.00* 0	0.00* 0	173.50* 13,301,492
EDN	4,345.50* 240,045,038	0.00* 0	2.00* 26,624,995	0.00* 0	0.00* 0	0.00* 0	4,347.50* 266,670,033
GOV	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0
HHL	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0
HMS	1,023.77* 454,653,669	0.00* 0	763.07* 632,787,838	0.00* 0	0.50* 32,978,229	0.00* 1,330,200	1,787.34* 1,121,749,936
HRD	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0
HTH	1,469.55* 243,100,578	53.00* 19,791,249	182.05* 45,018,516	0.00* 0	1.00* 2,500,000	61.20* 99,763,771	1,766.80* 410,174,114
LBR	32.50* 1,290,968	0.00* 166,100,000	378.10* 47,085,382	0.00* 0	0.00* 0	0.00* 0	410.60* 214,476,350
LNR	0.25* 215,000	0.00* 0	0.75* 645,000	0.00* 0	0.00* 0	0.00* 0	1.00* 860,000
LTG	1.91* 224,268	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	1.91* 224,268
PSD	0.00* 190,000	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 190,000
TAX	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0	0.00* 0
TRN	0.00* 0	39.30* 3,215,168	1.50* 1,996,206	0.00* 0	0.00* 0	0.00* 0	40.80* 5,211,374
UOH	44.15* 5,474,872	0.00* 419,801	8.00* 8,025,512	0.00* 0	0.00* 0	0.10* 111,600	52.25* 14,031,785
Dept. total	7,135.48* 956,705,362	161.30* 197,829,298	1,515.87* 784,460,653	17.94* 4,067,352	1.50* 35,478,229	65.30* 101,856,322	8,897.39* 2,080,397,216

As table 3I above indicates, the Department of Human Services receives the bulk of (total) federal mandate funds, and those funds are comprised primarily of general and federal funds. Other departments with sizable amounts of funds are the Department of Health, the

Department of Education, and the Department of Labor and Industrial Relations. Specifically, the federally mandated programs of the Department of Health are funded primarily by general funds and also by revolving funds. The mandated programs of the Department of Education are funded primarily by general funds. The programs of the Department of Labor and Industrial Relations are funded primarily by special funds. The total funds for these four departments constitute nearly all of the federal mandate funds for executive branch.

With regard to position ceilings for federally mandated programs, the bulk of these positions are funded primarily through general funds. Specifically, the general funded position ceilings for Department of Education, the Department of Health, and the Department of Human Services constitute about three-fourths of the overall position ceiling for federally mandated programs among the departments. The general funded position ceiling for the Department of Education alone constitutes nearly half of that overall position ceiling.

## **VI. Federal Mandates in the Operating Budget: Fiscal Year 2001-2002**

Chapter 2 was organized around the program areas of the state budget that had state programs, or program IDs, through which federal mandates were administered. It was not organized around the federal mandates themselves. Some of the program IDs listed had more than one federal mandate while some program IDs listed had federal mandates in common with other program IDs. Appendix C, on the other hand, is organized around the federal mandates themselves. It sets out in alphabetical order the various federal mandates that are administered through the program IDs. Funding figures and position ceilings have been recast to fit the mandate rather than the program ID.

Based upon Appendix C, table 3J below lists the complete funding amounts and position ceilings for some of the more heavily funded mandates in the operating budget. These are IDEA, Medicaid, PRWOR (welfare), and Unemployment. The total funding for these mandates comprises about 75 per cent of all funding for mandates and about 22 per cent of the total funds in the state operating budget. The overall position ceiling authorized for these same mandates comprises about 66 per cent of the overall position ceiling for all mandates and about 13 per cent of the overall position ceiling for all programs in the state budget.

**Table 3J: Federal Mandate Funding and Position Ceilings  
During Fiscal Year 2001-2002**

Mandate	A	B	N	U	Total
	4,520.00*	0.00*	22.00*	0.00*	4,542.00*
IDEA	331,191,957	8,214,279	29,034,266	2,250,000	370,690,502
	211.13*	4.00*	142.35*	0.00*	357.48*
Medicaid	320,213,809	488,894	453,886,571	32,686,183	807,275,457
	417.20*	0.00*	308.80*	0.00*	726.00*
PRWOR	74,490,126	0	125,113,046	0	199,603,172
	0.00*	0.00*	231.90*	0.00*	231.90*
Unemployment	0	165,600,000	13,240,597	0	178,840,597
	5,148.33*	4.00*	705.05*	0.00	5,857.38*
Total	725,895,892	174,303,173	621,274,480	34,936,183	1,556,409,728
	72%*	2%*	46%*	0%*	66%*
% All Mandates	76%	88%	79%	98%	75%
	15%*	0%*	33%*	0%*	13%*
% State Budget	21%	13%	57%	7%	22%

Lastly, based on Appendix C and the previous Bureau studies on federally mandated programs, table 3K below shows a year-by-year break down specifically for IDEA. The figures provide a break down between State and federal funding figures and position ceilings for the fiscal years 1997-1998, 1998-1999, and 2001-2002. (No figures are available for fiscal years 1999-2000 and 2000-2001.)

**Table 3K: IDEA Funding Figures  
for Fiscal Years 1997-1998, 1998-1999, and 2001-2002**

IDEA	FY 97-98	FY 98-99	FY 01-02	% ↑ 98-99
	--	2,824.50*	4,554.00*	61%*
State funds	166,911,251	174,298,860	344,295,954	97%
	--	13.00*	22.00*	69%*
Federal funds	14,606,644	23,756,373	31,284,266	32%
	--	2,837.50*	4,576.00*	62%*
State + Federal	181,517,895	198,055,233	375,580,220	90%
	--	217.27 to 1.00*	207.00 to 1.00*	
State-fed ratio	\$11.43 to 1.00	\$7.34 to 1.00	\$11.00 to 1.00	
	--	38%*	51%*	
State/all mandates	11%	11%	17%	
	--	0%*	0%*	
Fed/all mandates	1%	1%	1%	
	--	38%*	51%*	
(S + F)/all mandates	12%	12%	18%	

Table 3K indicates that between fiscal years 1998-1999 and 2001-2002 state funds increased about 97 per cent, from \$174,298,860 to \$344,295,954, while federal funds increased about 32 per cent, from \$23,756,373 to \$31,284,266. Between the same period the State-funded position ceiling increased about 61 per cent, from 2,824.50 to 4,554.00, while the federal-funded position ceiling increased 69 per cent, from 13.00 to 22.00. Furthermore, the year-by-year funding ratios between the State and federal government for IDEA indicate that the State

provided \$11.43 for every \$1.00 of federal funds in fiscal year 1997-1998, \$7.34 for every \$1.00 in federal funds in fiscal year 1998-1999, and \$11.00 for every \$1.00 in federal funds in fiscal year 2001-2002.

Also, state funds for IDEA, as a percentage of the total funds for all mandates in the state budget, constituted 11 per cent of those funds in fiscal years 1997-1998 and 1998-1999, but rose to 17 per cent of those funds in fiscal year 2001-2002. In contrast, federal funds for IDEA remained at 1 per cent of the total funds for all mandates in the state budget for those same three fiscal years. Correspondingly, as a percentage of the total position ceiling for all mandates in the state budget, the state funded position ceiling for IDEA rose from 38% in fiscal year 1998-1999 to 51% in fiscal year 2001-2002. In contrast, the federal funded position ceiling appears to have been a negligible portion (0%) of the total position ceiling for all mandates in the state budget over the same period.

A comparison between funding figures for IDEA and for all mandates in general indicates that between fiscal years 1998-1999 and 2001-2002, state funds for IDEA increased at a greater pace (97%) than did state funds for all mandates in general (23%), while federal funds for IDEA increased at about the same pace (32%) as did federal funds for all mandates in general (33%). Moreover, over the same fiscal period, the State's share of funding IDEA increased as against the federal government's share. In contrast, the State's overall share of funding mandates decreased as against the federal government's share. Specifically, the State's share of funding IDEA in fiscal year 1998-1999 was \$7.34 in state funds to each \$1.00 in federal funds. The State's share of IDEA increased in fiscal year 2001-2002 to \$11.00 in state funds to each \$1.00 in federal funds. On the other hand, the State's overall share of funding all mandates in fiscal year 1998-1999 was \$1.46 in state funds to every \$1.00 in federal funds. The State's share of funding all mandates decreased in fiscal year 2001-2002 to \$1.35 in state funds to every \$1.00 in federal funds.

## **VII. Conclusion**

The total operating funds available through the General Appropriations Act of 2001 for federally mandated programs during fiscal year 2001-2002 is \$2,080,397,216. Of that total, total state funds comprise \$1,195,401,727, total federal funds comprise \$884,995,489. In other words, the percentage breakdown of total operating funds for federal mandated programs is as follows: state funds, 57 per cent; federal funds, 43 per cent. The overall position ceiling funded by the Act for mandated programs during the same fiscal year is 8,897.39. Of that total, the State funds 7,339.32 positions and the federal government funds 1,558.07 positions. In other words, the percentage breakdown of the position ceilings for federally mandated programs is as follows: state-funded positions, 82 per cent; federal funded positions, 18 per cent.

For fiscal year 2001-2002, the principal means of financing in the budget act for federally mandated programs are general funds and other federal funds, or N funds. General funds are \$956,705,362. Other federal funds are \$784,460,653.

*SUMMARY OF OPERATING FUNDS AND POSITION CEILINGS*

The principal means of financing position ceilings for federally mandated programs is general funds. General funds provide for a position ceiling of 7,135.48.

The bulk of mandate funds, specifically, \$1,137,461,164, are appropriated to the social services program area.

The bulk of permanent positions for mandated programs are in lower education, which has authorized a position ceiling of 4,347.50.

The Department of Human Services is appropriated \$1,121,749,936, which amounts to more than half of all the federal mandate funds appropriated in the state budget.

The Department of Education is authorized a position ceiling of 4,347.50, which constitutes nearly half of the entire position ceiling for mandated programs in the state budget.

Medicaid and the Individuals with Disabilities Education Act (“IDEA”) are the federal mandates appropriated the bulk of funds. Medicaid has a total of \$807,275,457, of which \$320,213,809 are general funds. IDEA has a total of \$370,690,502, of which \$331,191,957 are general funds.

Lastly, between fiscal years 1998-1999 and 2001-2002, state funds for mandated programs increased about 23 per cent, from 975,095,864 in fiscal year 1998-1999 to \$1,195,401,727 in fiscal year 2001-2002. Federal funds increased about 33 per cent, from \$665,888,050 to \$884,995,489. The sum of State and federal funds increased about 27 per cent, from \$1,640,983,914 to \$2,080,397,216. On the other hand, as a percentage of the grand total operating budget there has been no increase in either state or federal funds over the same fiscal period. In both fiscal years 1998-1999 and 2001-2002, state funds for mandated programs account for 17 per cent of the budget, federal funds for mandated programs account for 12 per cent of the budget, and State and federal funds combined account for 29 per cent of the budget. Furthermore, as between the State and the federal government, the State's share of the costs has decreased from fiscal year 1998-1999 to fiscal year 2001-2002. In fiscal year 1998-1999, the State provided 59 per cent of the funding for all mandated programs while the federal government provided 41 per cent. In other words, for every \$1.00 of federal funds, the State provided \$1.46. In fiscal year 2001-2002, the State provides 57 per cent of mandate funding as against the federal government's 43 per cent. In other words, for every \$1.00 of federal funds, the State provides \$1.35.

Likewise, in terms of position ceilings, between fiscal years 1998-1999 and 2001-2002, state funded position ceilings for mandated programs increased about 20 per cent, from 6,093.30 in fiscal year 1998-1999 to 7,339.32 in fiscal year 2001-2002. Federal funded position ceilings increased about 9 per cent, from 1,429.81 to 1,558.07. The sum of State and federal funded position ceilings increased about 18 per cent, from 7,523.11 to 8,897.39. Also, as a percentage the overall position ceiling authorized under the grand total operating budget for all programs, the state funded position ceiling rose from 15 per cent in fiscal year 1998-1999 to 17 per cent in fiscal year 2001-2002. The federal funded position ceiling remained at 3 per cent. Combined the state and federal funded position ceiling rose from 18 per cent to 20 per cent. Furthermore,

as between the State and the federal government, the State funded position ceilings increased from fiscal year 1998-1999 to fiscal year 2001-2002. In fiscal year 1998-1999, the State provided 81 per cent of the position ceiling for all mandated programs while the federal government provided 19 per cent. In other words, for every position ceiling that is federally funded, the State funded a position ceiling of 4.26. In fiscal year 2001-2002, the State provides 82 per cent of the position ceiling for mandated programs as against the federal government's 18 per cent. In other words, for every position ceiling that is federally funded, the State funds a position ceiling of 4.71.

### **VIII. Recommendations**

The Legislature has now requested federal mandate surveys of the Bureau in four separate years, first in 1994, then in 1997, 1998, and now again in 2001. Evidently, the Legislature has a continuing interest in the matter.

Accordingly, the Bureau makes the following recommendations:

1. If the Legislature is regularly requesting federal mandate surveys in order to ascertain the extent of federally mandated programs in the state budget, the Legislature should consider requiring the Governor to submit such information regularly as part of the Governor's budget proposals. Specifically, the Legislature should consider amending part IV of chapter 37, Hawaii Revised Statutes, on the executive budget, to require the Governor to submit federal mandate information as part of the budget proposals to the Legislature. The requirement will enable the Legislature to receive such information from the administration every fiscal biennium. Sample legislation is included as Appendix D, as a starting point to promote further discussion of the matter. The sample draft also requires the administration to submit federal mandate information for capital investment costs as well as operating costs.
2. If the Legislature is regularly requesting federal mandate surveys in order to ascertain which federal programs may be eliminated from the state budget, then the Legislature should consider the federal programs that are not being reported as federally mandated programs.
3. If the Legislature is regularly requesting federal mandate surveys in order to ascertain which federally mandated programs may be eliminated from the state budget, the Legislature could start by examining the sanctions to be incurred if a program is terminated.

**Report Title:**

Federal Mandates

THE SENATE  
TWENTY-FIRST LEGISLATURE, 2001  
STATE OF HAWAII

**S.C.R. NO.** 102  
S.D. 1  
H.D. 1

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# SENATE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO UPDATE ITS SURVEY OF  
FEDERALLY MANDATED STATE PROGRAMS.

WHEREAS, federal mandates that impose costs on the states are increasing at an alarming rate, in terms of frequency as well as cost; and

WHEREAS, the explosion of federally-mandated programs began during the latter half of the 1980s when the federal government, struggling with new spending priorities and a rapidly expanding federal budget deficit, chose to require the states to finance, administer, and implement these new and costly responsibilities; and

WHEREAS, in 1990 alone, the federal government imposed at least twenty additional mandates on the states at an aggregate cost of more than \$15,000,000,000, to the states; and

WHEREAS, these mandates included requiring states to enforce new standards for smog and acid rain reduction, enforce new transportation requirements for hazardous waste, expand state Medicaid coverage for certain households and individuals, and enforce driver's license revocation requirements for certain drug offenses; and

WHEREAS, the 1991 Budget Reconciliation Act was another source of "hidden costs" to the states--where approximately \$13,300,000,000 in unfunded obligations have been passed on from the federal government to the states; and

WHEREAS, in addition to these new mandates imposed on the states by the federal government, state governments must also contend with the never-ceasing problem of keeping pace with the current service requirements of ongoing federal-state programs that require state matching funds for federal grants; and

WHEREAS, while the merits of each program should be examined on an individual basis, these mandates are almost always costly to the states, and inappropriately intrude upon or preempt the rights and powers of state government; and

WHEREAS, forcing the states to comply with and contribute to the cost of implementing federally-developed programs and initiatives offers the federal government a convenient method of taking credit for expanding and developing new programs while exporting the burden of cost and administration to the states; and

WHEREAS, due to the fact that a significant number of states are now facing serious budgetary problems, the current federal-state partnership arrangement for the administration of federally-mandated programs should be reexamined; and

WHEREAS, the Legislative Reference Bureau has issued three previous reports in 1995, 1997, and 1998 on federally mandated programs in a continuing effort to provide the Legislature with a better understanding of the complex and difficult issues involving such programs and their impact on the Hawaii state government; now, therefore,

BE IT RESOLVED by the Senate of the Twenty-first Legislature of the State of Hawaii, Regular Session of 2001, the House of Representatives concurring, that the Legislative Reference Bureau is requested to update its survey of federally-mandated state programs; and

BE IT FURTHER RESOLVED that the survey is requested to cover the following:

(1) Federally-mandated programs under the General Appropriations Act of 2001 for fiscal year 2001-2002, listed under the program identifications; and

(2) The state and federal operating funds appropriated or allocated to implement the mandated programs, including the funding amounts and permanent position counts under the applicable means of financing;

and

BE IT FURTHER RESOLVED that the Legislative Reference Bureau is requested to submit the results of its survey to the Legislature no later than twenty days prior to the convening of the Regular Session of 2002; and

BE IT FURTHER RESOLVED that a certified copy of this Concurrent Resolution be transmitted to the Acting Director of the Legislative Reference Bureau.

## Appendix B

### QUESTIONS ON FEDERALLY MANDATED STATE PROGRAMS

*Note:* This questionnaire is being distributed to all the principal state executive branch departments and the offices of both the governor and lieutenant governor in response to the attached S.C.R. No. 102, S.D. 1, H.D. 1, which directs the Legislative Reference Bureau to update its survey of federally mandated state programs for fiscal year 2001-2002.

For purposes of this survey, please use the following definitions:

"State program", or "program", means the program in the state budget act identified by a program ID.

"Federal mandate" means a federal statute, rule, or court order that imposes direct costs on the states and possibly prohibits the use of cost-effective alternatives. They can include the following types of federal policy instruments:

- (1) The direct order mandate, which is a federal statute, federal administrative rule, or federal court order that directs states to establish a new program, improve the level of services under an existing one, or enact or raise minimum standards. Alternatively, a direct order may prohibit, halt, or restrict a specific state practice or program. Civil or criminal penalties can be imposed for noncompliance;
- (2) A partial preemption statute, in which the federal government exerts its constitutional authority to preempt a field of regulation and establish minimum national standards. Subject to federal approval, a state may be allowed to regulate the field if the state adopts standards as strict as, or stricter than, the minimum national standards. In order to encourage states to continue regulating the field or to discourage them from withdrawing from it, the federal government may employ crossover sanctions; or
- (3) Federal grant-in-aid conditions on state spending and administration, provided that the state cannot easily withdraw from the program for the following reasons:
  - (a) Substantial start-up costs have already been expended for the program by the state;
  - (b) The state may have abolished its own program in favor of the federal initiative;
  - (c) The public may have come to rely on the benefits provided by the grant program; or

- (d) The state's budget may now be heavily dependent on large sums of federal money for the program.

The grant conditions may include:

- (1) The "bait and switch", in which new requirements are added after a program is in effect, service populations expanded or redefined, or existing local practices restricted or prohibited;
- (2) Matching requirements, maintenance-of-effort provisions, and "non-supplant" clauses, which prohibit states from decreasing state funds for a program and substituting federal funds in their place. Program expansion is the federal goal;
- (3) Crossover sanctions, or the "carrot and stick", in which the failure to comply with the requirements of one program can result in a reduction or termination of funds from another, separately authorized and separately entered into, program; or
- (4) Crosscutting requirements, which are requirements that are imposed across the board on all or most federal assistance programs.

**Name of Department** \_\_\_\_\_

**Division** \_\_\_\_\_

**Name of Person Responsible for  
Completing Questionnaire** \_\_\_\_\_

**Title** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

Please provide the following information on federally mandated state programs for which your department, through your division, is the expending agency under the General Appropriations Act of 2001. It is not necessary to report a mandated program if the program's total state and federal funding is zero, unavailable, unknown, or unquantifiable:

- (1) The name of the state program that implements a federal mandate: i.e., the program ID in the General Appropriations Act of 2001.
- (2) The name of the federal mandate: i.e., the official or popular name of the mandate, and a citation to its source.
- (3) A description of the mandate: what does the mandate require the State to do?
- (4) The sanctions and penalties for noncompliance: what can the federal government do to the State if the State does not comply with the federal mandate or does not participate in the federal program? can the federal government impose fines, preempt state regulatory powers, or withhold federal funds?
- (5) The operating funds appropriated and the position ceilings authorized under the General Appropriations Act of 2001 for the fiscal year beginning July 1, 2001 and ending June 30, 2002 in order to fulfill the mandate.

Specifically, please provide a breakdown of the operating funds and position ceilings under the applicable means of financing.

Operating funds FY 2001-2002

State

General funds \_\_\_\_\_  
position ceiling \_\_\_\_\_

Special funds \_\_\_\_\_  
position ceiling \_\_\_\_\_

Other (specify) \_\_\_\_\_  
position ceiling \_\_\_\_\_

Federal

Other federal funds \_\_\_\_\_  
position ceiling \_\_\_\_\_

Other (specify) \_\_\_\_\_  
position ceiling \_\_\_\_\_

**PLEASE SEND THE COMPLETED QUESTIONNAIRE TO WENDELL K. KIMURA,  
ACTING DIRECTOR, LEGISLATIVE REFERENCE BUREAU, ATTENTION: DEAN  
SUGANO, STATE CAPITOL, ROOM 446, HONOLULU, HI 96813, BY  
JULY 31, 2001.**

**THANK YOU FOR YOUR ASSISTANCE IN THIS MATTER.**

## Appendix C

### FEDERAL MANDATES IN THE OPERATING BUDGET FOR FISCAL YEAR 2001-2002

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
Americans with Disabilities	G	UOH100		200	W	State
Campus Security	G	UOH100		3,210	A	
				585	B	
	G	UOH900	0.75	39,040	A	
Carl D. Perkins Voc Tech	G	UOH900	7.00	369,745	A	
			4.00	457,667	N	
	B	LBR135		109,555	N	
Cash Mgmt Improv Act	K	BUF115		145,000	A	
Chafee Foster Care, Title IV-E	F	HMS301		636,879	N	
	F	HMS303		159,220	A	
Child Abuse Prev and Tx Act	F	HMS301		243,331	N	
Child Supp Enforce, Title IV-D	F	ATG500	52.36	1,780,382	A	
			13.94	2,645,885	T	State
			128.70	13,596,307	N	
Children's Justice	F	HMS301		85,540	N	
Civil Rights Act, EEO, AA	G	EDN100	141.00	9,051,821	A	
				706,310	N	
	G	UOH900	5.00	270,400	A	
Clinical Laboratory Imp Act	G	UOH100		3,500	W	State
Controlled Substance Act	G	UOH100		1,000	W	State
Developmental Disabilities	E	HTH905	1.50	84,039	A	
			6.50	433,728	N	
Drug-Free Workplace Act	G	UOH900		4,923	A	
Election laws	K	LTG102	0.17	11,442	A	
			0.08	50,000	A	
			0.08	1,764	A	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
			1.00	42,330	A	
			0.08	106,610	A	
			0.50	12,122	A	
Endangered Species Act	D	LNR402		200,000	A	
				600,000	N	
Environmental Pollution Laws	D	HTH840	54.00	2,647,766	A	
			50.00	8,004,481	B	
			39.60	5,766,996	N	
			10.00	467,625	W	State
			41.20	96,424,530	W	Federal
	D	HTH849	11.00	465,893	A	
			10.00	2,871,616	W	State
			16.00	1,347,854	N	
	E	HTH610	12.00	571,417	A	
			7.00	515,230	N	
	G	UOH100	6.00	292,384	A	
				173,255	B	
			3.00	151,280	A	
				15,486	B	
Fair Packaging and Labeling	J	AGR812	1.30	49,000	A	
Family Violence Prevention	F	HMS301		1,362,461	A	
				400,000	N	
Federal Civil Defense Act	I	DEF110	18.50	893,004	A	
			6.50	1,198,481	N	
Federal Insecticide, F, and R	D	AGR846	16.00	642,626	A	
			4.00	650,751	W	State
				350,000	N	
Federal Student Loan	G	UOH900	3.00	297,500	A	
Federal Transit Admin	C	TRN595		129,196	B	
				1,033,570	N	
Food Security Act	F	HMS237		517,033	A	
				1,197,541	N	
Foster Care and Adopt Assist,	F	HMS301	252.30	18,559,046	A	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
Title IV-E			91.41	9,039,809	N	
	F	HMS303		23,158,855	A	
				12,474,690	N	
	F	HMS901	8.08	1,959,670	A	
			4.29	1,012,973	N	
Handicapped Parking	F	HTH520		113,000	A	
Higher Education	G	UOH100	6.00	538,023	A	
				162,091	B	
				1,000,000	N	
Highway Safety Act	C	TRN595	2.00	95,844	B	
				223,636	N	
IDEA (inc Felix):	E	HTH530	94.50	7,743,899	A	
			20.00	2,499,498	N	
	E	HTH570	24.00	1,147,106	A	
	E	HTH460	197.00	89,904,235	A	
				7,477,406	B	
				616,083	N	
	E	HTH495	34.00	4,889,718	A	
				736,873	B	
	E	HTH495		1,403,500	A	
				2,250,000	U	Federal
	G	EDN200	4,204.50	220,937,617	A	
			2.00	25,918,685	N	
	G	EDN400		10,055,600	A	
Immigration and Nationality	B	LBR111	0.00	60,000	N	
	G	UOH100	4.00	163,914	A	
Imported Fire Ant	A	AGR122	2.00	66,000	A	
Juvenile Justice and Delinq	F	HMS501	22.00	71,100	A	
				711,000	N	
LIHEAP	F	HMS206		1,491,331	N	
Marine and Atmos. Research	G	UOH100	1.00	70,000	A	
				6,000,000	N	
Maternal and Child Health	E	HTH530	10.50	723,306	A	
Services Block Grant, Title V			3.00	615,059	B	
			14.00	1,151,929	N	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
	E	HTH550	19.00	23,571,599	A	
				300,000	B	
			23.50	4,608,280	N	
			1.00	250,000	U	Federal
	E	HTH595	15.00	2,632,567	A	
			6.00	774,977	N	
McIntire-Stennis Act, Hatch Acts	G	UOH100		186,705	A	
				860,454	A	
				379,594	A	
Meat and Poultry Inspection	J	AGR812	0.10	4,000	A	
Medicaid, Title XIX	F	HMS601	73.58	1,331,802	A	
				280,106	U	State
			0.92	1,331,802	N	
	F	HMS230		173,476,763	A	
				10,341,215	U	State
				234,824,015	N	
	F	HMS603		13,467,039	A	
				22,064,862	U	State
				39,375,341	N	
	F	HMS245		120,054,939	A	
				158,896,301	N	
	F	HMS902	104.50	8,889,569	A	
			108.50	15,945,620	N	
	F	HMS904	22.84	1,668,061	A	
			15.16	1,213,636	N	
	F	HMS901	10.21	1,325,636	A	
			5.77	1,359,178	N	
	K	ATG100	4.00	488,894	B	
			12.00	940,678	N	
Motor Carrier Safety Act	C	TRN597	29.00	305,000	B	
National Bridge Inv System	C	TRN501				
	C	TRN511				
	C	TRN531				
	C	TRN541				
	C	TRN551				
	C	TRN561	4.80	2,617,000	B	
	C	TRN595		370,000	N	
National Cemeteries	F	DEF112	13.00	404,439	A	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
National Defense Act	I	DEF110	102.30	5,352,617	A	
			33.20	5,452,951	N	
National Endow. for the Arts	H	AGS881	10.00	1,916,651	A	
			9.00	4,074,309	B	
				738,787	N	
National Flood Insurance Act	I	LNR810	0.25	15,000	A	
			0.75	45,000	N	
National School Lunch Act	G	UOH100	0.10	4,175	A	
				650	W	State
National Sea Grant	G	UOH100	4.00	403,915	A	
				62,737	B	
				98,000	W	State
			3.00	106,953	N	
National Space Grant	G	UOH100		119,108	A	
				422,800	N	
Nurses/RE Appraisers	J	CCA105	56.00	3,739,877	B	
			4.00	1,421,467	T	State
OSHA	B	LBR143	26.00	1,024,518	A	
				500,000	B	
			26.00	1,690,856	N	
	B	LBR901	1.50	85,500	A	
			1.50	85,500	N	
	G	UOH100	0.10	8,250	W	State
Older Americans Act	B	LBR111		8,000	A	
			1.00	1,874,086	N	
	F	HTH904	3.55	6,102,342	A	
			7.45	5,875,828	N	
National and Com Serv Trust	F	HMS601	2.50	226,350	A	
				412,719	N	
			4.00	379,664	A	
				342,570	N	
				280,106	U	Federal
OMB Circulars	G	UOH100	2.00	67,872	A	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
			1.00	35,616	N	
	K	BUF101		42,500	A	
Petroleum Mkting Practices	J	AGR812	0.04	1,500	A	
Postentry Quarantine	A	AGR122	0.25	8,250	A	
PRWOR	F	HMS302	25.00	1,566,683	A	
			1.00	5,256,153	N	
	F	HMS201		12,269,081	A	
				61,600,014	N	
	F	HMS202		22,426,631	A	
	F	HMS236	335.17	11,564,292	A	
			259.83	13,319,822	N	
	F	HMS903	57.03	10,088,832	A	
			47.97	19,327,103	N	
	F	HMS305		16,574,607	A	
				25,609,954	N	
Public Health Services Act	E	HTH101	33.00	2,186,073	A	
			2.00	1,210,938	N	
	E	HTH121	15.00	5,343,236	A	
			4.50	4,672,303	N	
	E	HTH131	22.00	1,627,944	N	
	E	HTH550	1.00	156,172	A	
			4.50	1,440,444	N	
Public Law 411	E	HTH111	71.00	4,326,362	A	
			3.00	695,669	N	
Recombinant DNA	G	UOH100	2.00	111,156	A	
				5,647	B	
Rehabilitation Act	B	HMS802	26.17	3,832,490	A	
			90.33	9,644,265	N	
				1,330,200	W	Federal
Sex Offender Reg	I	ATG231	2.00	50,000	A	
Single Audit Act	F	HMS904		202,440	A	
				197,560	N	
	I	PSD900		190,000	A	
Smith-Lever Act	G	UOH100		1,130,789	A	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
Soc Serv Block Grant, Title XX	F	HMS301	82.73	4,562,915	N	
	F	HMS601		2,968,178	N	
	F	HMS502		3,522,574	A	
				717,583	N	
	F	HMS503	76.50	5,293,166	A	
			0.50	11,940	U	State
				1,251,458	N	
State and Comm Hwy	C	TRN597	2.50	29,500	B	
			1.50	369,000	N	
Substance Abuse Prevention and Treatment Block Grant	E	HTH440	7.00	8,512,538	A	
				150,000	B	
			2.00	9,366,345	N	
	E	HTH495	15.00	632,270	A	
			4.00	792,068	N	
Tax Reform Act	K	BUF115		155,000	A	
Title IVB, Subparts 1 and 2	F	HMS301	3.89	153,191	A	
			9.16	459,573	N	
	F	HMS301		289,202	A	
			1.00	1,290,722	N	
	F	HMS303		263,272	A	
				789,817	N	
Title XVI	F	HMS238	45.00	4,798,445	N	
Transportation Equity Act	C	TRN595	1.00	38,628	B	
Unemployment Comp	B	LBR171		165,600,000	B	
			231.90	13,240,597	N	
US v Hawaii	E	HTH420	223.00	44,012,756	A	
				2,507,430	B	
				1,178,900	N	
	E	HTH430	561.50	28,880,422	A	
	E	HTH495	67.00	7,050,362	A	
				443,502	N	
Veterans' Benefits	G	UOH100	0.30	10,685	A	
				2,476	N	

Federal Mandate	Area	Program ID	Positions	Funds	MOF	S/F
Wagner-Peyser Act	B	LBR111	107.00	3,253,394	N	
Welfare-to-Work	B	LBR111		4,718,609	N	
Workforce Investment	B	LBR111	2.00	20,000	A	
			10.70	21,749,230	N	
	B	LBR135	3.00	152,950	A	
				303,555	N	
TOTAL			8,897.39	2,080,397,216		

**Report Title:**

State Budget

**Description:**

Requires the Governor to submit federal mandate funding information to the Legislature as part of the budget proposals.

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A BILL FOR AN ACT

RELATING TO THE STATE BUDGET.

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

1 SECTION 1. Section 37-62, Hawaii Revised Statutes, is  
2 amended by adding a new definition to be appropriately inserted  
3 and to read as follows:

4 "Federal mandate costs" means the portion of the cost  
5 elements of a cost category involved in carrying out a federal  
6 mandate. A "federal mandate" is a statute, administrative rule,  
7 court order, or grant-in-aid condition used by the federal  
8 government to impose direct costs on the State and prohibit the  
9 use of cost-effective alternatives."

10 SECTION 2. Section 37-69, Hawaii Revised Statutes, is  
11 amended by amending subsection (d) to read as follows:

12 "(d) The program plans for the ensuing six fiscal years  
13 shall more specifically include:

14 (1) At the lowest level on the state program structure,  
15 for each program:

16 (A) A statement of its objectives;

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- 1 (B) Measures by which the effectiveness in attaining  
2 the objectives is to be assessed;
- 3 (C) The level of effectiveness planned for each of  
4 the ensuing six fiscal years;
- 5 (D) A brief description of the activities  
6 encompassed;
- 7 (E) The program size indicators;
- 8 (F) The program size planned for each of the next six  
9 fiscal years;
- 10 (G) A narrative explanation of the plans for the  
11 program. It shall contain, and in general be  
12 limited to, the following:
- 13 (i) A description of the kinds of activities  
14 carried out or unusual technologies  
15 employed;
- 16 (ii) A statement of key policies pursued;
- 17 (iii) Identification of important program or  
18 organizational relationships involved;
- 19 (iv) A description of major external trends  
20 affecting the program;

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- 1                   (v) Identification and a description of any  
2                   federal mandates carried out in whole or in  
3                   part by the program;
- 4                   (vi) A discussion of significant discrepancies  
5                   between previously planned cost,  
6                   effectiveness, and program size levels and  
7                   those actually achieved;
- 8                   [~~(vi)~~] (vii) Comments on, and an interpretation  
9                   of, cost, effectiveness, and program size  
10                  data over the upcoming budget period, with  
11                  special attention devoted to changes from  
12                  the current budget period;
- 13                  [~~(vii)~~](viii) Comments on, and an interpretation  
14                  of, cost, effectiveness, and program size  
15                  data over the four years of the planning  
16                  period and how they relate to the  
17                  corresponding data for the budget period;  
18                  and
- 19                  [~~(viii)~~](ix) A summary of the special analytic  
20                  study, program evaluation, or other analytic  
21                  report supporting a substantial change in the

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1                    program where such a major program change  
2                    recommendation has been made;

3            (H)    The full cost implications of the recommended  
4                    programs, by cost categories and cost elements,  
5                    actually experienced in the last completed fiscal  
6                    year, estimated for the fiscal year in progress,  
7                    and estimated for each of the next six fiscal  
8                    years. The means of financing shall be  
9                    identified for each cost category. The personal  
10                    services cost element and the lease payments cost  
11                    element shall be shown separately; the cost  
12                    elements of other current expenses, equipment,  
13                    and motor vehicles may be combined. The number  
14                    of positions included in the program shall be  
15                    appropriately identified by means of financing;

16            (I)    A recapitulation of subparagraph (H) for the last  
17                    completed fiscal year, the fiscal year in  
18                    progress and each of the next six fiscal years,  
19                    by means of financing grouped under each cost  
20                    category. The number of positions included in  
21                    any program shall be appropriately identified;

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1           (J) An identification of the revenues generated in  
2           the last completed fiscal year and estimated to  
3           be generated in the fiscal year in progress and  
4           in each of the next six fiscal years, and the  
5           fund into which such revenues are deposited;

6           (K) Details of implementation of each capital  
7           improvement project included in the total program  
8           cost, including:

9           (i) A description of the project, location, and  
10           scope;

11           (ii) The initially estimated, currently  
12           estimated, and final cost of the project, by  
13           investment cost elements and by means of  
14           financing;

15           (iii) The amounts previously appropriated by the  
16           legislature for the project, by cost  
17           elements and by means of financing specified  
18           in the acts appropriating the sums, and an  
19           identification of the acts so appropriating;

20           (iv) The costs incurred in the last completed  
21           fiscal year and the estimated costs to be  
22           incurred in the fiscal year in progress and

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1                   in each of the next six fiscal years, by  
2                   cost elements and by means of financing; and  
3           (v) A commencement and completion schedule, by  
4           month and year, of the various phases of the  
5           capital improvement project (i.e., land  
6           acquisition, design, construction, and  
7           occupancy) as originally intended, as  
8           currently estimated, and as actually  
9           experienced; and

10           (L) A crosswalk of the program expenditures, by cost  
11           categories and cost elements between the program  
12           and expending agencies for the next two fiscal  
13           years. The means of financing and the number of  
14           positions included in the program costs to be  
15           expended by each agency shall be specified; and

16           (2) Appropriate displays at every level of the state  
17           program structure above the lowest level. The  
18           displays shall include:

19           (A) A listing of all major groupings of programs  
20           included within the level, together with the  
21           objectives, measures of effectiveness, and  
22           planned levels of effectiveness for each of the

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1           ensuing six fiscal years for each such major  
2           groupings of programs; and

3           (B) A summary of the total cost of each cost category  
4           by the major groupings of programs encompassed  
5           within the level, actual for the last completed  
6           fiscal year and estimated for the fiscal year in  
7           progress and for each of the next six fiscal  
8           years."

9           SECTION 3. Section 37-71, Hawaii Revised Statutes, is  
10          amended by amending subsection (c) to read as follows:

11          "(c) The display of financial requirements for the ensuing  
12          two fiscal years shall more specifically include:

13          (1) At the lowest level on the state program structure,  
14          for each program:

15          (A) The total recommended expenditures, including  
16          research and development, capital and operating  
17          costs, by cost categories [~~and~~], cost elements,  
18          and federal mandates for the ensuing biennium;  
19          the planned allocation of the total biennial  
20          request, by cost categories, [~~and~~] cost elements,  
21          and federal mandates, between the two fiscal  
22          years of the biennium. The means of financing

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1           and the number of positions included in any cost  
2           category amount shall be appropriately  
3           identified[+], with a separate break out for  
4           federal mandates;

5           (B) A summary showing means of financing the total  
6           recommended expenditures, those amounts requiring  
7           and those amounts not requiring legislative  
8           appropriation or authorization for spending in  
9           each fiscal year of the biennium;

10          (C) A crosswalk of the total proposed biennial  
11          expenditures between the program and expending  
12          agencies. The means of financing the number of  
13          positions and the lease payments included in any  
14          cost amount, including federal mandates, and the  
15          net amount requiring appropriation or  
16          authorization shall be appropriately identified  
17          for each expending agency; and

18          (D) The proposed changes in the levels of  
19          expenditures, by cost categories, between the  
20          biennium in progress and the ensuing biennium,  
21          together with a brief explanation of the major

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1 reasons for each change. The reasons shall  
2 include, as appropriate, the following:

- 3 (i) Salary adjustments to existing positions of  
4 personnel;
- 5 (ii) The addition or deletion of positions;
- 6 (iii) Changes in the number of persons being  
7 served or to be served by the program;
- 8 (iv) Changes in the program implementation  
9 schedule;
- 10 (v) Changes in the actual or planned level of  
11 program effectiveness;
- 12 (vi) Increases due to the establishment of a  
13 program not previously included in the  
14 State's program structure;
- 15 (vii) Decreases due to the phasing out of a  
16 program previously included in the State's  
17 program structure; and
- 18 (viii) Changes in the purchase price of goods or  
19 services;

20 As appropriate, references to the program and  
21 financial plan shall be noted for an explanation of  
22 the changes. Notwithstanding the provisions of

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1 subsection (b)(5), the proposed changes in the levels  
2 of expenditures may be shown to the nearest thousand  
3 dollars;

4 (2) Appropriate summaries of paragraph (1)(A) and (C)  
5 immediately above at every level of the state program  
6 structure above the lowest level. Such summaries  
7 shall be by the major groupings of programs  
8 encompassed within the level. The summaries of  
9 paragraph (1)(A) shall identify the means of financing  
10 and the number of positions and the lease payments  
11 included in any cost category amount[+], including a  
12 separate break out for federal mandates; and

13 (3) A summary listing of all capital improvement projects  
14 included in the proposed capital investment costs for  
15 the ensuing biennium. The listing shall be by  
16 programs at the lowest level of the state program  
17 structure and shall show for each project, by  
18 investment cost elements:

19 (A) The cost of the project;

20 (B) The amount of funds previously appropriated and  
21 authorized by the legislature; and

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1           (C) The amount of new appropriations and  
2           authorizations proposed in each of the two fiscal  
3           years of the ensuing biennium and in each of the  
4           succeeding four years. The amount of the new  
5           appropriations and authorizations proposed shall  
6           constitute the proposed new requests for the  
7           project in each of the fiscal bienniums.

8           In every instance, the means of financing shall be noted."

9           SECTION 4. Statutory material to be repealed is bracketed  
10          and stricken. New statutory material is underscored.

11          SECTION 5. This Act shall take effect on July 1, 2002.

12

INTRODUCED BY: \_\_\_\_\_