

# **FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 1997-1998: OPERATING FUNDS**

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Report No. 1, 1997

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This report has been cataloged as follows:

Sugano, Dean.

Federally mandated state programs during fiscal year 1997-1998: operating funds.  
Honolulu, HI: Legislative Reference Bureau, October 1997.

1. Intergovernmental fiscal relations - United States - Hawaii. 2. Grants-in-aid - United States - Hawaii. 3. Finance, Public - Hawaii.  
KFH421.5 L35 A25 97-1.

## FOREWORD

This report was prepared in response to House Resolution No. 195, adopted by the House of Representatives of the Nineteenth Legislature during the Regular Session of 1997. This report sets forth the Bureau's survey of government programs for fiscal year 1997-1998 in the State that are mandated or were formerly mandated by the federal government. The Bureau conducted a similar survey in 1995. Our previous survey was published as *Federally Mandated State Programs During the Fiscal Biennium 1993-1995*, Report No. 1, 1995, Legislative Reference Bureau.

We hope that this publication provides the first step in 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 1997

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## Chapter 1

### INTRODUCTION

House Resolution No. 195, adopted by the House of Representatives of the Nineteenth Legislature during the Regular Session of 1997, requests the Legislative Reference Bureau to update its survey of government programs in the State for fiscal year 1997-1998 that are:

- (1) Mandated by the federal government but funded by the State;
- (2) Mandated by the federal government but require state matching funds;
- (3) Funded or partially funded by federal funds but scheduled to have these federal funds reduced or discontinued; or
- (4) No longer mandated, but continue to be supported by state funds. (See Appendix A.)

The present survey, like the previous one, represents an attempt at estimating the extent to which the state budget is dictated by federal mandates. The previous survey, distributed as *Federally Mandated State Programs During the Fiscal Biennium 1993-1995, Report No. 1, 1995*, Legislative Reference Bureau, was 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.

The Bureau has limited the scope of the present survey to a survey of state and federal operating funds appropriated under Act 328, the General Appropriations Act of 1997 (the state budget act), and any other appropriation acts from the Regular Session of 1997, to implement both federally mandated state programs and formerly mandated state programs during fiscal year 1997-1998. Also, the term "matching funds", as used in the resolution, has been broadly interpreted to refer to any program that is funded by both the state and the federal government, regardless of whether a match formula, maintenance-of-efforts clause, "non-supplant" clause, or other cost-sharing device is used.

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

- A "state program" is a combination of resources and activities designed to achieve an objective or objectives.<sup>1</sup>
- 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:
  - (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 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;
- (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

## INTRODUCTION

- (d) Crosscutting requirements, which are requirements that are imposed across the board on all or most federal assistance programs.<sup>2</sup>

Lastly, a federal mandate does not include a federal statute that has been adopted as part of the State Constitution.<sup>3</sup>

The Bureau drafted a questionnaire for the offices of the Governor and the Lieutenant Governor and the eighteen executive branch departments.<sup>4</sup> Copies of the questionnaire were sent out on May 12, 1997. The requested deadline for completed questionnaires was July 15, 1997. (see Appendix B for a copy of the questionnaire). Responses were received from nineteen of the 20 agencies in time for inclusion in the Bureau's report. The response from the Department of Public Safety could not be incorporated into the report.

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

## Endnotes

1. See e.g., *The Multi-Year Program and Financial Plan and Executive Budget for the Period 1998-2003 (Budget Period: 1998-99)*, Vol. I, p. 46, Submitted to the Nineteenth State Legislature, State of Hawaii, December 1996; Hawaii Rev. Stat. §37-62, relating to the state budget.
2. U.S., Advisory Commission on Intergovernmental Relations ("ACIR"), in *Federally Induced Costs Affecting State and Local Governments, September 1994, M-193*, pp.19-23; *Federal Statutory Preemption of State and Local Authority: History, Inventory, and Issues, September 1992, A-121*, pp. iii, 16-18; and *Regulatory Federalism: Policy, Process, Impact and Reform, February 1984, A-95*, pp. 7-10.

The ACIR was created by Congress in 1959 to monitor the operation of the American federal system and to recommend improvements to it. The commission was intended as a permanent national bipartisan body representing the public and the executive and legislative branches of federal, state, and local government. See, generally, 42 U.S.C. §§4271 et seq.

The commission was recently terminated by the Treasury, Postal Service, and General Government Appropriations Act, 1996, Public Law 104-52, Title IV, Nov. 19, 1995, 109 Stat. 480. The relevant language effective November 19, 1995 reads: "For the necessary expenses of the Advisory Commission on Intergovernmental Relations, \$450,000 shall be available only for the purposes of the prompt and orderly termination of the Advisory Commission on Intergovernmental Relations."

3. In particular, the Hawaiian Homes Commission Act, 1920, as amended, was adopted into the State Constitution through Hawaii Const. Art. XII, sec. 1. According to the state attorney general and the federal Ninth Circuit Court of Appeals, the Act should be construed as a state constitutional provision rather than as an Act of Congress. See, *A.G. Op. 81-4*, at pp. 3-4, n.1 (March 25, 1981); *Keaukaha-Panaewa Community Association v. Hawaiian Homes Commission*, 588 F.2d 1216, 1226-1227 (9th Cir. 1978). The Hawaiian Homes Commission Act, 1920, as amended, was required to be adopted as part of the State Constitution pursuant to section 4 of the Admission Act, 1959, Pub. L. No. 86-3.
4. 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 §26-4, *Hawaii Rev. Stat.*

## Chapter 2

# FEDERALLY MANDATED STATE PROGRAMS FOR FISCAL YEAR 1997-1998

### Introduction

State programs with federal mandates for fiscal year 1997-1998 are set out in this chapter. The state programs are presented in the manner in which they appear in the General Appropriations Act of 1997, Act 328, Session Laws of Hawaii 1997. Programs of the eighteen departments and the offices of the governor and the lieutenant governor are organized into eleven program areas. The objectives of each program area are quoted from *The Multi-Year Program and Financial Plan and Executive Budget for the Period 1998-2003 (Budget Period: 1998-99)*, Vol. I-III, December 1996. Within each program area, the program identification (ID) numbers are arranged in the order in which they are presented in the budget act. The numbers that accompany the program IDs in the left margin are the numbers that accompany them in the budget act. Listed under each program are its federal mandates. For each mandate, funding figures for operating costs and their means of financing are given. The figures are reflected in the budget act, unless identified as a non-budget item. Funding figures are expressed in dollar amounts.

The following acronyms from the budget act are used regarding means of financing:

|     |                             |
|-----|-----------------------------|
| 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                 |

The following symbols are used to flag certain information:

|   |                                  |
|---|----------------------------------|
| • | A federal mandate                |
| ◦ | A former federal mandate         |
|   | Non-budget item                  |
| > | Future federal funding increases |
| = | Steady future federal funding    |
| < | Future federal funding decreases |

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**

**Objective:** To assist in maintaining the State’s economy in a strong and competitive condition by providing policies, operations, facilities, services, advice and information so as to achieve appropriate rates of growth, high levels of employment, reasonable returns on investments, and steady gain in real personal incomes in a balanced fashion in all sectors of the economy and areas of the State.

**Departments with Mandates:** Department of Business Economic Development and Tourism (“BED”)

**Programs with Mandates:**

17. BED 120 Energy Development and Management

**Programs with Former Mandates:** None

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998**

| Program ID          | A          | B          | N         | T       | U       | W          | Program ID Total |
|---------------------|------------|------------|-----------|---------|---------|------------|------------------|
| 17. BED 120         | 48,440     | 0          | 2,384,753 | 0       | 0       | 0          | 2,433,193        |
| Mandate Funds Total | 48,440     | 0          | 2,384,753 | 0       | 0       | 0          | 2,433,193        |
|                     |            |            |           |         |         |            |                  |
| Area Appropriation  | 56,089,729 | 49,769,260 | 5,037,975 | 540,000 | 254,857 | 13,089,635 | 124,781,456      |
| Mandate/Area        | 0.00086    | 0.00000    | 0.47336   | 0.00000 | 0.00000 | 0.00000    | 0.01950          |

**The Programs**

**17. BED 120 Energy Development and Management**

- **Mandate 1:** National Energy Policy Act of 1992, Public Law 102-486
- Description:** Requires certain state fleets, when making their annual purchases of new vehicles, to successively increase the proportion, each year, of new vehicles that should be alternatively fueled (*i.e.*, fueled with electricity, propane, natural gas, ethanol, methanol, or other alternative fuel). State fleets affected nationwide are those fleets in metropolitan statistical areas such as Oahu with populations greater than 250,000 as of the 1980 census. The annual percentage of new vehicles purchased that must be alternatively fueled rises from 10% in 1996 to 75% in 1999 and each year thereafter.
- Sanctions:** \$5,000 per violation. \$10,000 per "wilful" violation. \$50,000 per violation, that follows a prior history of fines.

FEDERALLY MANDATED STATE PROGRAMS

Operating funds: Fiscal Year 1997-1998 unquantifiable

The amount of funding required for this mandate depends upon the number of alternatively fueled vehicles which must be purchased and the cost of alternative fuel. Specific numbers and costs are currently unknown.

- Mandate 2: Energy Policy and Conservation Act, Dec. 22, 1975, Public Law 94-163, Title III, Part D, as amended; 42 United States Code §6321 et seq; Department of Energy Organization Act (42 United States Code §7101 et seq.)

Description: Federal grant-in-aid conditions require states receiving funds to do as follows: (1) establish mandatory lighting efficiency standards for public buildings; (2) promote car pools, van pools, and public transportation; (3) incorporate energy efficient criteria into procurement procedures; (4) implement mandatory thermal-efficiency standards for new and renovated buildings; (5) permit right turns at red lights; (6) develop energy emergency plans; and (7) ensure effective coordination among various local, State, and federal energy efficiency, renewable energy and alternative transportation fuel programs within the State.

Sanctions: Loss of federal appropriations.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 48,440 A              |
| Federal          | 2,384,753 N           |

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Total BED 120    | Fiscal Year 1997-1998 |                      |
| Operating funds: | For Federal Mandates  | For Total Program ID |
| State            | 48,440 A              | 1,738,259 A          |
| Federal          | 2,384,753 N           | 3,031,326 N          |
|                  |                       | 1,559,584 Other MOF  |
| Total            | 2,433,193             | 6,329,169            |

**PROGRAM AREA B: EMPLOYMENT**

**Objective:** To assure all workers full and equal opportunity to work, decent working conditions, fair treatment on the job, equitable compensation, and assistance in work-related difficulties.

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

**Programs with Mandates:**

- 1. LBR 111 Workforce Development
- 5. LBR 143 Occupational Safety & Health
- 9. LBR 171 Unemployment Compensation
- 11. HMS 802 Vocational Rehabilitation
- 12. LBR 901 DLIR-Data Gathering, Research and Analysis

**Programs with Former Mandates:**

- 4. LBR 135 Commission on Employment & Human Resources

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998:**

| Program ID          | A          | B           | N          | T | U         | W         | Program ID Total |
|---------------------|------------|-------------|------------|---|-----------|-----------|------------------|
| 1. LBR 111          | 383,672    | 0           | 20,783,401 | 0 | 0         | 0         | 21,167,073       |
| 5. LBR 143          | 971,502    | 0           | 1,598,057  | 0 | 0         | 0         | 2,569,559        |
| 9. LBR 171          | 0          | 166,510,310 | 12,395,923 | 0 | 0         | 0         | 178,906,233      |
| 11. HMS 802         | 3,653,306  | 0           | 8,114,891  | 0 | 0         | 0         | 11,768,197       |
| 12. LBR 901         | 109,903    | 0           | 220,646    | 0 | 0         | 0         | 330,549          |
| Mandate Funds Total | 5,118,383  | 166,510,310 | 43,112,918 | 0 | 0         | 0         | 214,741,611      |
| Area Appropriation  | 20,929,799 | 197,693,937 | 61,337,515 |   | 1,195,371 | 1,050,000 | 282,206,622      |
| Mandate/Area        | 0.24455    | 0.84226     | 0.70288    |   | 0.00000   | 0.00000   | 0.76094          |

**The Programs**

**1. LBR 111 Workforce Development**

- Mandate 1:
  - (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: A direct mandate that requires the State to provide job search and placement services for job seekers, and appropriate recruitment services and special technical services for employers.

FEDERALLY MANDATED STATE PROGRAMS

Sanctions: Loss of funds for the subject program.

Operating funds: Fiscal Year 1997-1998  
State 0  
Federal 3,174,212 N

= Federal funds are not scheduled to be reduced or discontinued.

- Mandate 2: (1) Immigration and Nationality Act of 1952, Public Law 82-414.  
(2) Wagner-Peyser Act of 1933, Public Law 73-30, as amended.  
(3) Immigration Act of 1990, Public Law 101-649.

Description: A direct mandate that requires the State to assist the U.S. 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.

Operating funds: Fiscal Year 1997-1998  
State 0  
Federal Unknown at this time

- Mandate 3: 38 USC ch. 41, Job Counseling, Training, and Placement Services for Veterans.

Description: A direct mandate that requires the State to provide eligible veterans and other eligible persons with maximum opportunities in employment and training. Priority must be given to disabled veterans and veterans of the Vietnam era. States must appoint disabled veterans outreach program specialists and local veterans employment representatives to assist in providing these services.

Sanctions: Loss of grant funds for the subject program.

Operating funds: Fiscal Year 1997-1998  
State 0  
Federal Unknown at this time

- Mandate 4: Work Opportunity Tax Credit Program, Small Business Protection Act of 1996, Public Law 104-188.

Description: Under this grant-in-aid program, federal tax credit incentives are provided to employers who hire individuals from any one of seven target groups which traditionally have had difficulties in obtaining and securing jobs. Categorical grant funds are provided

to the State to determine applicant eligibility and issue tax credit certifications to the employers.

Sanctions: Loss of grant funds for the subject program.

Operating funds: Fiscal Year 1997-1998  
 State 0  
 Federal Unknown at this time.

< The federal program is scheduled to terminate on September 30, 1997 unless reauthorized.

- Mandate 5: Job Training Partnership Act, Oct. 13, 1982, Public Law 97-300, as amended by the Job Training Reform Amendments of 1992, Public Law 102-367.

(Formerly reported under LBR 131)

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 economically disadvantaged, 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 1997-1998  
 State 371,263 A  
 Federal 15,747,725 N  
 Total 16,118,988

Federal funds are not scheduled to be reduced or discontinued.

- Mandate 6: Older Americans Act of 1965, Public Law 89-73, Title V, as amended by the Older Americans Act Technical Amendments of 1993, Public Law 103-171. The Senior Community Services Employment Program.

(Formerly reported under LBR 131)

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.

FEDERALLY MANDATED STATE PROGRAMS

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 12,409 A              |
| Federal          | 1,861,464 N           |
| Total            | 1,873,873             |

= Federal funds are not scheduled to be reduced or discontinued.

|                  |            |                       |                      |       |
|------------------|------------|-----------------------|----------------------|-------|
| Total LBR 111    |            | Fiscal Year 1997-1998 |                      |       |
| Operating funds: |            | For Federal Mandates  | For Total Program    |       |
|                  | State      | 383,672 A             | 395,473 A            |       |
|                  | Federal    | 20,783,401 N          | 28,687,591 N         |       |
| 21,167,073       | 39,967,849 |                       | 10,884,785 Other MOF | Total |

**4. LBR 135 Commission on Employment & Human Resources**

- Former Mandate: Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, Public Law 101-392  
  
(Became a former mandate as of July 1, 1996. Contrast with UOH 900, mandate 17)

Description: Required the State to establish the Hawaii State Council on Vocational Education (HSCOVE) as a condition toward receiving federal vocational education funds under a categorical formula-based grant, which for fiscal year 1996-1997 amounted to \$5.5 million statewide. HSCOVE itself had been formerly receiving a direct flat grant of \$150,000 per year. Congress eliminated funding for HSCOVE effective July 1, 1996, allowing state councils to be continued with other Perkins funds. Funding for HSCOVE was continued in fiscal year 1996-1997 through carryover funds and other Perkins funds, which must be used by September 30, 1997. Act 346, Session Laws of Hawaii 1997, consolidates HSCOVE into the Workforce Development Council, for which no funds were appropriated in fiscal year 1997-1998.

**5. 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 §§1901, 1902

Description: 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, and effective sanctions against any offending entities among employers, building/facility owners, and manufacturers of hazardous chemicals.

Sanctions: Federal preemption of the State's regulatory powers in the areas of occupational safety and health, even in the marginal areas. The State would be decertified by the Occupational Safety and Health Administration, and the federal act would be enforced by federal officials from San Francisco. Federal funding would be lost. Hawaii would lose the opportunity to provide input into OSHA, and penalties collected from Hawaii employers would be deposited into the U.S. Treasury.

|                  |                       |   |                      |           |
|------------------|-----------------------|---|----------------------|-----------|
| Operating funds: | Fiscal Year 1997-1998 |   |                      |           |
|                  | For Federal Mandates  |   | For Total Program ID |           |
| State            | 971,502               | A | 1,674,215            | A         |
| Federal          | 1,598,057             | N | 1,598,057            | N         |
|                  |                       |   | 500,000              | Other MOF |
| Total            | 2,569,559             |   | 3,772,272            |           |

> Federal funds are expected to increase for FY 98-99 and the State is expected to meet its matching obligation. Since the State has already utilized the maximum amount of "in kind" match, any additional federal increase must be matched with actual dollars. Inability in matching the federal awards will permanently affect the amount of future moneys to be made available to the State.

**9. 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 III 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 1997-1998 |   |                      |               |
|                  | For Federal Mandates  |   | For Total Program ID |               |
| State            | 166,510,310           | B | =                    | 166,510,310 B |
| Federal          | 12,395,923            | N | =                    | 12,395,923 N  |
| Total            | 178,906,233           |   | =                    | 178,906,233   |

< Federal funds may be reduced because the allocation is based on actual workload costs. In addition, a federal balanced budget amendment may reduce the allocation.

**FEDERALLY MANDATED STATE PROGRAMS**

**11. HMS 802 Vocational Rehabilitation**

- **Mandate:** Rehabilitation Act of 1973, Public Law 93-112, as amended
- Description:** A direct mandate that provides for the rehabilitation needs of eligible persons with disabilities thereby enabling them to achieve employment and greater independence in the community. Persons with physical, mental, and emotional impairments which result in substantial barriers to employment who need our services to become employed are eligible.
- Sanctions:** Proportionate losses of federal funds, for proportionate decreases in the State's levels of expenditure. Loss of all funds, for refusal to submit the required state plan.

**Operating funds:**

|         | Fiscal Year 1997-1998 |   |                      |                                   |
|---------|-----------------------|---|----------------------|-----------------------------------|
|         | For Federal Mandates  |   | For Total Program ID |                                   |
| State   | 3,653,306             | A | =                    | 3,653,306 A                       |
| Federal | 8,114,891             | N | =                    | 8,114,891 N                       |
| Total   | 11,768,197            |   |                      | 1,050,000 Other MOF<br>12,818,197 |

= Federal funding levels are not scheduled to change after FY 1997-1998.

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

- **Mandate 1:** Occupational Safety and Health Act (OSHA) of 1970, Public Law 91-596. 20 Code of Federal Regulations (CFR) 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 shall be considered as meeting the requirements. Meeting the requirements through alternative programs requires approval by both OSHA and BLS.
- Sanctions:** Failure to produce the required statistical reports may constitute grounds for plan withdrawal action and the loss of federal matching funds. This would also impact federal matching funds for LBR 143.

**Operating funds:**

|         | Fiscal Year 1997-1998 |   |
|---------|-----------------------|---|
| State   | 79,000                | A |
| Federal | 158,000               | N |

= Federal funds are not scheduled to be reduced or discontinued.

- **Mandate 2:** Job Training Partnership Act (JTPA) of 1982, Public Law 97-300, Section 125, as amended.

FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 1997-1998

Description: Standardizes available federal and state multi-agency administrative records; and directs survey data sources to produce an employment and economic analysis, with state projections on the growth or decline of geographic and occupational areas, and an assessment of such growth or decline on individuals, industries, and communities.

Sanctions: Loss of federal funds. Possible adverse impacts to the Hawaii career information delivery systems and the Hawaii state occupational information coordinating committee.

Operating funds: Fiscal Year 1997-1998  
 State 30,903 A  
 Federal 62,646 N

= Federal funds are not scheduled to be reduced or discontinued.

Total LBR 901  
 Operating funds: Fiscal Year 1997-1998  

|         | For Federal Mandates |   | For Total Program ID |   |
|---------|----------------------|---|----------------------|---|
| State   | 109,903              | A | 604,241              | A |
| Federal | 220,646              | N | 2,014,988            | N |
| Total   | 330,549              |   | 2,619,229            |   |

**PROGRAM AREA C: TRANSPORTATION FACILITIES**

**Objective:** To facilitate the rapid, safe, and economical movement of people and goods into, within, and out of the state by providing and operating transportation facilities and supporting services.

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

**Programs with Mandates:**

- 33. TRN 595 Highways Administration
- 34. TRN 597 Highway Safety
- 35. TRN 995 General Administration

**Programs with Former Mandates:**

- 34. TRN 597 Highway Safety

**Summary of Operating Funds under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998:**

| Program ID          | A | B           | N         | T | U | W | Program ID Total |
|---------------------|---|-------------|-----------|---|---|---|------------------|
| 33. TRN 595         | 0 | 36,428      | 63,572    | 0 | 0 | 0 | 100,000          |
| 34. TRN 597         | 0 | 2,680,000   | 0         | 0 | 0 | 0 | 2,680,000        |
| 35. TRN 995         | 0 | 16,069      | 0         | 0 | 0 | 0 | 16,069           |
| Mandate Funds Total | 0 | 2,732,497   | 63,572    | 0 | 0 | 0 | 2,796,069        |
| Area Appropriation  | 0 | 464,629,331 | 1,506,735 |   |   |   | 466,136,066      |
| Mandate/Area        |   | 0.00588     | 0.04219   |   |   |   | 0.00600          |

**The Programs**

**33. TRN 595 Highways Administration**

- **Mandate:** Intermodal Surface Transportation Efficiency Act of 1991, Public Law 102-240; 23 United States Code (USC) §217(d).

(Formerly reported under TRN 995)

**Description:** Each state receiving an apportionment under 23 USC §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 1997-1998 |                      |
|                  | For Federal Mandates  | For Total Program ID |
| State            | 36,428 B              | 57,740,602 B         |
| Federal          | 63,572 N              | 1,200,000 N          |
| Total            | 100,000               | 58,940,602           |

> Federal funding increases are anticipated.

**34. TRN 597 Highway Safety**

- Mandate 1: Highway Safety Act of 1966, Public Law 89-564, Title I; 23 United States Code §402.

Description: Requires states to implement a highway safety program designed to reduce the incidence of traffic crashes, fatalities, injuries, and associated costs. "Pass-through" federal grants, requiring annual reauthorizations by Congress, are offered to the states for assistance in implementing the program. The State uses these grants, an overall sum of about \$600,000 per year, to improve highway safety, by developing reimbursement project grants with agencies of state and local government. The grantee incurs the costs, then applies for federal reimbursement.

Sanctions: Withholding of 10% of the State's federal aid highway construction funds, about \$12 million a year, for every year of noncompliance.

|                  |                       |  |
|------------------|-----------------------|--|
| Operating funds: | Fiscal Year 1997-1998 |  |
| State            |                       |  |
| Federal          |                       |  |

|                  |         |               |
|------------------|---------|---------------|
| Non-budget funds | 169,000 | State funds   |
|                  | 767,428 | Federal funds |

- Mandate 2: Commercial Motor Vehicle Safety Act of 1986, Public Law 99-570, Title XII. "Procedures for Participation in and Receiving Data from the National Driver Register Problem Driver Pointer System; Final Rule," Federal Register, August 20, 1991.

Description: States must participate in the problem driver pointer system (PDPS) in order to use the National Driver Register (NDR). Using the NDR is required under the Act. PDPS is a nationwide

electronic clearinghouse for reporting and identifying problem drivers, those drivers with license denials, disqualifications, or serious traffic violations.

Sanctions: Withholding of 5% of highway construction funds, about \$6 million, for the first year of noncompliance. Withholding of 10%, about \$12 million, for each subsequent year of noncompliance. Termination of the agreement, or other measures, that could affect the ability of the State to obtain future federal funds.

Operating funds: Fiscal Year 1997-1998 unquantifiable

- Mandate 3: Commercial Motor Vehicle Safety Act of 1986, Public Law 99-570, Title XII; 49 United States Code §§521, 2304, 2701-2716.

Description: Requires states to implement a commercial driver's license program for drivers of vehicles that fall into one of the following categories: (1) the vehicle's gross vehicle weight rating is in excess of 26,000 pounds; (2) the vehicle holds at least sixteen occupants; or (3) it carries hazardous materials in such quantities as would necessitate vehicle placarding. The program must be implemented in accordance with federal requirements, including: giving knowledge and practical tests to driver applicants, prior to licensure; enforcing minimum physical criteria for drivers; and having a license issued from one state only.

Sanctions: Withholding of 5% of Federal-aid highway construction funds, or about \$6 million, for the first year of noncompliance. Withholding of 10% of the funds, or about \$12 million, for each subsequent year of noncompliance.

Operating funds: Fiscal Year 1997-1998  
 State 1,400,000 B  
 Federal

- Former Mandate: Highway Safety Act of 1966, Public Law 89-564, as amended.

Description: The original Act mandated the states to implement a periodic motor vehicle inspection program. As of October 1, 1988, the mandate was withdrawn.

Operating funds: Fiscal Year 1997-1998  
 State 1,280,000 B  
 Federal

FEDERALLY MANDATED STATE PROGRAMS

Total TRN 597

Operating funds:

|         | Fiscal Year 1997-1998 |                      |
|---------|-----------------------|----------------------|
|         | For Federal Mandates  | For Total Program ID |
| State   | 1,400,000 B           | 5,266,679 B          |
| Federal |                       | 306,735 N            |
| Total   | 1,400,000 B           | 5,573,414            |

Non-budget funds 169,000 State funds  
767,428 Federal funds

Former mandate 1,280,000 B

**35. TRN 995 General Administration**

- Mandate: Public Law 103-272, Federal Transit Administration laws, Title 49, chapter 53, United States Code, §5303.

Description: Assists urban and non-urban areas at planning, developing, and improving comprehensive public mass transportation systems.

Sanctions: Reimbursement of Federal Transit Administration funds.

|         | Fiscal Year 1997-1998 |                      |
|---------|-----------------------|----------------------|
|         | For Federal Mandates  | For Total Program ID |
| State   | 16,069 B              | 9,388,035 B          |
| Federal |                       |                      |
| Total   | 16,069                | 9,388,035            |

Non-budget funds 128,553 federal "pass-through" grants.

= Continued funding levels are anticipated.

**PROGRAM AREA D: ENVIRONMENTAL PROTECTION**

**Objective:** To restore, protect, and to enhance, where appropriate, the natural and person-made physical environment.

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

**Programs with Mandates:**

- 1. HTH 840 Environmental Management
- 2. AGR 846 Pesticides
- 4. LNR 402 Forests and Wildlife Resources
- 10. HTH 849 Environmental Health Administration

**Programs with Former Mandates:**

- 1. HTH 840 Environmental Management

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998**

| Program ID          | A          | B         | N         | T | U | W          | Program ID Total |
|---------------------|------------|-----------|-----------|---|---|------------|------------------|
| 1. HTH 840          | 1,364,940  | 6,196,502 | 3,112,716 | 0 | 0 | 3,979,842  | 14,654,000       |
| 2. AGR 846          | 739,790    | 0         | 350,000   | 0 | 0 | 250,000    | 1,339,790        |
| 4. LNR 402          | 283,333    | 0         | 850,000   | 0 | 0 | 0          | 1,133,333        |
| 10. HTH 849         | 32,000     | 0         | 0         | 0 | 0 | 0          | 32,000           |
| Mandate Funds Total | 2,420,063  | 6,196,502 | 4,312,716 | 0 | 0 | 4,229,842  | 17,159,123       |
|                     |            |           |           |   |   |            |                  |
| Area Appropriation  | 17,801,377 | 9,610,106 | 8,570,929 |   |   | 48,042,172 | 84,024,584       |
| Mandate/Area        | 0.13595    | 0.64479   | 0.50318   |   |   | 0.08804    | 0.20422          |

**The Programs**

**1. HTH 840 Environmental Management**

- Mandate 1: Clean Air Mandates
- (1) 40 Code of Federal Regulations (CFR) 52.21, Prevention of Significant Deterioration.
  - (2) 40 CFR 60, Standards of Performance of New Stationary Sources.
  - (3) 40 CFR 61, National Emission Standards for Hazardous Air Pollutants.

- (4) 40 CFR 63, National Emission Standards for Hazardous Air Pollutants for Source Categories.
- (5) 40 CFR 70, State Operating Permits Program.
- Description:
- (1) Permitting program to prevent the significant deterioration of air quality. Combination of a direct mandate, a partial preemptive regulation, and a grant-in-aid condition on spending and administration. Includes matching and maintenance-of-effort requirements.
- (2) Minimum operating and performance standards for new stationary sources. Combination of a partial preemptive regulation and a grant-in-aid condition on spending and administration.
- (3) National emission standards for new stationary sources that emit hazardous air pollutants. Combination of a partial preemptive regulation and a grant-in-aid condition on spending and administration.
- (4) Minimum operating and performance standards for new and existing stationary sources that emit hazardous air pollutants. Combination of a direct mandate, a partial preemptive regulation, and a grant-in-aid condition on spending and administration.
- (5) Operating permits program for new and existing stationary sources that emit federally regulated air pollutants. Combination of a direct mandate, a partial preemptive regulation, and a grant-in-aid condition on spending and administration.

Pursuant to 40 CFR 70, permit fees are assessed to support the administration of the above mandates. Contingent on state matching and maintenance-of-effort requirements, federal categorical grant funds are provided for other aspects of the air program such as ambient air quality monitoring.

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 office.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 194,027 A             |
|                  | 2,878,770 B           |
| Federal          | 561,078 N             |
| Total            | 3,633,875             |

FEDERALLY MANDATED STATE PROGRAMS

- < Federal funds have been declining slowly over the years, but the State is still held to the state matching and maintenance-of-effort requirements.
- **Mandate 2:** Clean Water 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 Clean Water Act of 1977, Public Law 95-217, Section 402(p).
- 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 §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 \$200 million, exclusive of additional annual costs for operations and maintenance.
- Operating funds:**
- |         |                       |
|---------|-----------------------|
|         | Fiscal Year 1997-1998 |
| State   | 881,717 A             |
| Federal | 422,042 N             |
| Total   | 1,303,759             |
- **Mandate 3:** Safe Drinking Water Mandate:  
Safe Drinking Water Act of 1974, Public Law 93-523, as amended. Major amendments were Public Law 99-339, 1986, and Public Law 104-182, 1996. 40 Code of Federal Regulations Parts 35, 141, and 142.
- Description:** The overall mission of the federal safe drinking water program is to ensure that all public water systems provide water which meets minimum drinking water quality standards. There is required monitoring, the identification and regulation of harmful chemicals, the setting of treatment standards, the approval of new sources, the notification of the public of water quality findings, and the enforcement of water system requirements. The U.S. Environmental Protection Agency (EPA) delegates primary enforcement authority over the Act to the states who meet the minimum qualifications for primary enforcement authority. Grant funds provided by Congress to the EPA for use by the states

have traditionally been insufficient to administer all the terms of the program. But the EPA has adopted a policy of requiring full primacy, therefore, it does not recognize partial state participation.

Sanctions: Failure to administer the program fully would mean the loss of \$448,000 in federal grant dollars and the assumption of administration by the EPA. Administration by the EPA would result in the significant reduction of services to the public. Presently state regulations provide more protection than the federal regulations in a number of areas. A program run by the EPA would minimize or eliminate a number of presently available services such as permit review and approvals, technical assistance and public information, monitoring and surveillance, emergency response and more. The absence of local expertise and knowledge will lead to the inappropriate imposition of enforcement conditions which will be costly to both the water supplier and water consumer.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 89,860 A              |
|                  | 203,627 W             |
| Federal          | 219,519 N             |
| Total            | 513,006               |

> There is no indication of any federal funding reduction, discontinuance, or cap scheduled. Federal funding has grown slowly but steadily since its inception in Hawaii in 1977, and is expected to continue to do so.

- Mandate 4: Safe Drinking Water Mandate:  
Underground injection control program of the Safe Drinking Water Act of 1974, Public Law 93-523, as amended. 40 Code of Federal Regulations Parts 124, 144, 145, 146, and 148.

Description: This program is specifically intended to protect existing and potential drinking water sources from contamination by the injection of wastes into the ground. The program sets limits on the type and location of waste disposal sites allowed in the State. Minimum separation distances are imposed between injection wells and existing drinking water sources. The Environmental Protection Agency (EPA) looks to the State for implementation support once the State meets minimum qualifications to administer the program. Presently the State has not yet achieved primary enforcement authority, for which the State would qualify for approximately \$60,000 in federal funds.

Sanctions: Failure by the State to achieve primacy would mean administration by the EPA out of San Francisco. The EPA's lack of expertise in island hydrology and geology and their inability to produce a quick response would mean a reduction in the protection offered by the state program. The lack of local

FEDERALLY MANDATED STATE PROGRAMS

expertise may cause the prohibition of activities for which the State has expressed support such as geothermal energy development activities.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 35,966 W              |
| Federal          | 0                     |

> There has been neither an increase nor a decrease in the size of the federal underground injection control grant in more than five years. Once delegation is achieved, the State will qualify for approximately \$60,000 in federal funds.

◦ Former Mandate: Safe Drinking Water Mandate:  
Lead Contamination Control Act.

Description: The Act was designed to reduce children's exposure to lead in school drinking water fountains and school distribution systems. No federal funds were provided for the implementation of the law. The State Safe Drinking Water Branch attempted to comply with the law with existing funds.

• Mandate 5: 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.

FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 1997-1998

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 199,336 A             |
|                  | 3,317,732 B           |
|                  | 345,249 W             |
| Federal          | 926,114 N             |
| Total            | 4,788,431             |

- Mandate 6: 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 (EPA) 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 treatment 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 1997-1998 |
| State            | 3,395,000 W           |
| Federal          | 983,963 N             |
| Total            | 4,378,963             |

Non-budget item: 10,117,343 federal funds

Total HTH 840

|                  |                          |                      |
|------------------|--------------------------|----------------------|
| Operating funds: | Fiscal Year 1997-1998    |                      |
|                  | For All Federal Mandates | For Total Program ID |
| State            | 1,364,940 A              | 2,453,071 A          |
|                  | 6,196,502 B              | = 6,196,502 B        |
|                  | 3,979,842 W              | 46,527,330 W         |
| Federal          | 13,230,059 N             |                      |
| adjustment       | (10,117,343) N           |                      |
| Subtotal         | 3,112,716 N              | = 3,112,716 N        |
| Total            | 14,654,000               | 58,289,619           |

Non-budget item: 10,117,342 federal funds

**2. AGR 846 Pesticides**

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

**Description:** Involves federal preemption of the State’s powers of regulation. Federal-state agreements require states to license 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.

**Sanctions:** The State would have to relinquish its powers to set priorities, service constituents, and respond to complaints. In place of the State, the Environmental Protection Agency would 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 1997-1998 |                     |   |                      |
|                  |                       | For Federal Mandate |   | For Total Program ID |
| State            | 739,790               | A                   | = | 739,790 A            |
|                  | 250,000               | W                   | = | 250,000 W            |
| Federal          | 350,000               | N                   | = | 350,000 N            |
| Total            | 1,339,790             |                     | = | 1,339,790            |

= Federal funds are anticipated to continue at current levels.

**4. LNR 402 Forests and Wildlife Resources**

- **Mandate:** Endangered Species Act of 1973, Public Law 93-205, as amended; 16 United States Code §§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 sizeable 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 \$550,000 in federal funds, for non-compliance.

FEDERALLY MANDATED STATE PROGRAMS

| Operating funds: | Fiscal Year 1997-1998 |                      |
|------------------|-----------------------|----------------------|
|                  | For Federal Mandates  | For Total Program ID |
| State            | 283,333 A             | 2,551,525 A          |
| Federal          | 850,000 N             | 860,485 N            |
| Total            | 1,133,333             | 3,412,010            |

= Federal funding is expected to remain at current levels after fiscal year 1997-1998.

**10. HTH 849 Environmental Health Administration**

- **Mandate:** Emergency Planning and Community Right-to-Know Act.
- Description:** Requires planning for chemical emergencies, chemical release, and inventory reporting.
- Sanctions:** None.

| Operating funds: | Fiscal Year 1997-1998 |                      |
|------------------|-----------------------|----------------------|
|                  | For Federal Mandates  | For Total Program ID |
| State            | 32,000 A              | 778,698 A            |
| Federal          | 0                     | 1,253,182 Other MOF  |
| Total            | 32,000                | 2,538,146 N          |
|                  |                       | 4,570,026            |

**PROGRAM AREA E: HEALTH**

**Objective:** To monitor, protect, and enhance the health of all people in Hawaii by providing leadership in assessment, policy development, and assurance to promote health and well-being, to preserve a clean, healthy and natural environment, and to assure basic health care for all.

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

**Programs with Mandates:**

1. HTH 101 Tuberculosis/Hansen’s Disease Control
2. HTH 111 Hansen’s Disease Institutional Services
4. HTH 131 Epidemiology Services
12. HTH 530 Children with Special Health Needs
13. HTH 540 School Health Services
14. HTH 550 Maternal and Child Health Services
15. HTH 570 Community Health Nursing
17. HTH 595 Health Resources Administration
23. HTH 430 Hawaii State Hospital
24. HTH 440 Alcohol and Drug Abuse
25. HTH 460 Child and Adolescent Mental Health
26. HTH 495 Behavioral Health Services Administration
27. HTH 610 Environmental Health Services
32. HTH 904 Executive Office on Aging
33. HTH 905 Policy Development & Advocacy for Developmental Disabilities

**Programs with Former Mandates:** None

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs  
During Fiscal Year 1997-1998**

| Program ID             | A           | B           | N          | T | U         | W | Program ID<br>Total |
|------------------------|-------------|-------------|------------|---|-----------|---|---------------------|
| 1. HTH 101             | 151,050     | 0           | 695,669    | 0 | 0         | 0 | 846,719             |
| 2. HTH 111             | 3,875,458   | 0           | 0          | 0 | 0         | 0 | 3,875,458           |
| 4. HTH 131             | 1,208,691   | 0           | 4,200,000  | 0 | 0         | 0 | 5,408,691           |
| 12. HTH 530            | 4,256,256   | 600,000     | 4,489,269  | 0 | 0         | 0 | 9,345,525           |
| 13. HTH 540            | 3,075,763   | 0           | 706,116    | 0 | 0         | 0 | 3,781,879           |
| 14. HTH 550            | 11,658,199  | 0           | 3,243,976  | 0 | 0         | 0 | 14,902,175          |
| 15. HTH 570            | 2,499,696   | 0           | 0          | 0 | 0         | 0 | 2,499,696           |
| 17. HTH 595            | 2,202,728   | 0           | 600,804    | 0 | 0         | 0 | 2,803,532           |
| 23. HTH 430            | 31,067,340  | 0           | 0          | 0 | 0         | 0 | 31,067,340          |
| 24. HTH 440            | 6,271,580   | 0           | 5,675,507  | 0 | 0         | 0 | 11,947,087          |
| 25. HTH 460            | 45,277,752  | 1,902,292   | 4,598,644  | 0 | 0         | 0 | 51,778,688          |
| 26. HTH 495            | 4,109,918   | 0           | 521,784    | 0 | 1,771,150 | 0 | 6,402,852           |
| 27. HTH 610            | 0           | 0           | 515,230    | 0 | 0         | 0 | 515,230             |
| 32. HTH 904            | 4,975,354   | 0           | 5,696,416  | 0 | 0         | 0 | 10,671,770          |
| 33. HTH 905            | 79,736      | 0           | 433,728    | 0 | 0         | 0 | 513,464             |
| Mandate Funds<br>Total | 120,709,521 | 2,502,292   | 31,377,143 | 0 | 1,771,150 | 0 | 156,360,106         |
|                        |             |             |            |   |           |   |                     |
| Area<br>Appropriation  | 246,389,929 | 216,097,527 | 76,352,084 | 0 | 1,862,690 | 0 | 540,702,230         |
| Mandate/Area           | 0.48991     | 0.01158     | 0.41095    |   | 0.95086   |   | 0.28918             |

**The Programs**

**1. HTH 101 Tuberculosis/Hansen's Disease Control**

- **Mandate:** Public Health Services Act, July 1, 1944, ch. 373, 58 Statutes at Large 682, as amended by the Health Services Amendments of 1985, Public Law 99-117.
- Description:** Assists the states with the care and treatment of persons with Hansen's disease.
- Sanctions:** Exposure to litigation, due to the unchecked spread of the disease.

FEDERALLY MANDATED STATE PROGRAMS

|                  |                       |   |                      |   |
|------------------|-----------------------|---|----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |                      |   |
|                  | For Federal Mandates  |   | For Total Program ID |   |
| State            | 151,050               | A | 2,174,346            | A |
| Federal          | 695,669               | N | 1,795,669            | N |
| Total            | 846,719               |   | 3,970,015            |   |

= Federal funds are not scheduled to be reduced or discontinued.

Funding for the Public Health Services Act, relating to Hansen’s disease, is provided in HTH 101 and HTH 111.

**2. HTH 111 Hansen's Disease Institutional Services**

- Mandate: (See Public Health Services Act under HTH 101)

|                  |                       |   |                      |   |
|------------------|-----------------------|---|----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |                      |   |
|                  | For Federal Mandates  |   | For Total Program ID |   |
| State            | 3,875,458             | A | = 3,875,458          | A |
| Federal          |                       |   |                      |   |
| Total            | 3,875,458             |   | = 3,875,458          |   |

Non-budget funds: 1,038,331 Federal funds. Reimbursed following state expenditures.

= Federal funds are not scheduled to be reduced or discontinued.

Funding for the Public Health Services Act, relating to Hansen’s disease, is provided in HTH 101 and HTH 111.

**4. 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: Loss of federal funds may result in the State losing jurisdiction to the federal government for a vaccine program for the eligible clients.

|                   |                       |   |                      |   |
|-------------------|-----------------------|---|----------------------|---|
| Operating funds:  | Fiscal Year 1997-1998 |   |                      |   |
|                   | For Federal Mandates  |   | For Total Program ID |   |
| State             | 1,208,691             | A | =                    | 1,208,691 A   |
| Federal           | 4,200,000             | N | =                    | 4,200,000 N   |
| Total             | 5,408,691             |   | =                    | 5,408,691   |
| Non-budget funds: | 20,490                |   |                      | Unencumbered A funds from FY 1997 will carry over to FY 1998. |

= No reductions in federal funds are anticipated.

**12. HTH 530 Children with Special Health Needs**

- Mandate 1: 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.

Sanctions: Loss of funding.

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 961,679               | A |  |  |
|                  | 600,000               | B |  |  |
| Federal          | 1,081,249             | N |  |  |
| Total            | 2,642,928             |   |  |  |

Funding for Title V, Maternal and Child Health Services, is provided in HTH 530 (mandate 1), HTH 540 (mandate 2), HTH 550 (mandate 3), and HTH 595.

- Mandate 2: Individuals with Disabilities Education Act , Public Law 102-119, Part H; 34 Code Federal Regulations Part 303.

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 H of the Act.

FEDERALLY MANDATED STATE PROGRAMS

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 3,294,577             | A |
| Federal          | 3,408,020             | N |
| Total            | 6,702,597             |   |

- > The current federal budget contains an increase of approximately 20% for funding for Part H in FY 1998. The State is not required to correspondingly increase its funding. Federal funds cannot be used to supplant state funding.

Funding for IDEA, Part H, relating to early intervention, is provided in HTH 530 (mandate 2), HTH 550 (mandate 2), and HTH 570 (mandate 2).

|                 |                       |   |   |                      |
|-----------------|-----------------------|---|---|----------------------|
| Total HTH 530   | Fiscal Year 1997-1998 |   |   |                      |
| Operating Funds | For Federal Mandates  |   | = | For Total Program ID |
| State           | 4,256,256             | A | = | 4,256,256            |
|                 | 600,000               | B | = | 600,000              |
| Federal         | 4,489,269             | N | = | 4,489,269            |
| Total           | 9,345,525             |   | = | 9,345,525            |

**13. HTH 540 School Health Services**

- Mandate 1: Individuals with Disabilities Education Act (IDEA), Public Law 102-119. Rehabilitation Act of 1973, Public Law 93-112, Section 504, as amended.

Description: Requires states to provide, in the educational setting, physical and occupational therapy and related services to students with special health needs, of ages three to twenty-one years.

Sanctions: The loss of \$100,000 in Maternal and Child Health block grant funds under Title V of the Social Security Act. Exposure to litigation.

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 2,182,000             | A |
| Federal          | 100,000               | N |
| Total            | 2,282,000             |   |

- Mandate 2: (See Mandate 1 under HTH 530 relating to Title V, Maternal and Child Health Services Block Grant.)

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 893,763               | A |
| Federal          | 606,116               | N |
| Total            | 1,499,879             |   |

Funding for Title V, Maternal and Child Health Services, is provided in HTH 530 (mandate 1), HTH 540 (mandate 2), HTH 550 (mandate 3), and HTH 595.

|                 |                       |   |   |                      |
|-----------------|-----------------------|---|---|----------------------|
| Total HTH 540   | Fiscal Year 1997-1998 |   |   |                      |
| Operating Funds | For Federal Mandates  |   | = | For Total Program ID |
| State           | 3,075,763             | A | = | 3,075,763 A          |
| Federal         | 706,116               | N | = | 706,116 N            |
| Total           | 3,781,879             |   | = | 3,781,879            |

**14. HTH 550 Maternal and Child Health Services**

- Mandate 1: Title X of the Public Health Service Act; Family Planning Services and Population Research Act of 1970, Public Law 91-572.

Description: A categorical grant-in-aid that provides support and financial subsidization of family planning projects, and to provide community education statewide.

Sanctions: Loss of funding.

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 90,014                | A |  |  |
| Federal          | 706,576               | N |  |  |
| Total            | 796,590               |   |  |  |

= Federal funds are not scheduled to be reduced, discontinued, or increased.

- Mandate 2: (See Mandate 2 under HTH 530 relating to Individuals with Disabilities Education Act, P.L. 102-119, Part H.)

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating Funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 7,500,000             | A |  |  |
| Federal          |                       |   |  |  |

Funding for IDEA, Part H, relating to early intervention, is provided in HTH 530 (mandate 2), HTH 550 (mandate 2), and HTH 570 (mandate 2).

- Mandate 3: (See Mandate 1 under HTH 530 relating to Title V, Maternal and Child Health Services Block Grant)

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 4,068,185             | A |  |  |
| Federal          | 2,537,400             | N |  |  |
| Total            | 6,605,585             |   |  |  |

Funding for Title V, Maternal and Child Health Services, is provided in HTH 530 (mandate 1), HTH 540 (mandate 2), HTH 550 (mandate 3), and HTH 595.

FEDERALLY MANDATED STATE PROGRAMS

|                 |                       |   |   |                      |
|-----------------|-----------------------|---|---|----------------------|
| Total HTH 550   | Fiscal Year 1997-1998 |   |   |                      |
| Operating Funds | For Federal Mandates  |   | = | For Total Program ID |
| State           | 11,658,199            | A | = | 11,658,199 A         |
| Federal         | 3,243,976             | N | = | 3,243,976 N          |
| Total           | 14,902,175            |   | = | 14,902,175           |

**15. HTH 570 Community Health Nursing**

- Mandate 1: Education for All Handicapped Children Act of 1975, Public Law 94-142; reauthorized as the Individuals with Disabilities Education Act (IDEA), Oct. 30, 1990, Public Law 101-476, as amended. Rehabilitation Act of 1973, Public Law 93-112, §504, as amended.

(Formerly reported under HTH 540.)

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 Public Health Nursing Branch.

Sanctions: Exposure to litigation.

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 740,896               | A |  |  |
| Federal          | 0                     | N |  |  |
| Total            | 740,896               |   |  |  |

- Mandate 2: (See Mandate 2 under HTH 530 relating to the Individuals with Disabilities Education Act, Public Law 102-119, Part H.)

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating Funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 1,758,800             | A |  |  |
| Federal          | 0                     | N |  |  |
| Total            | 1,758,800             |   |  |  |

Funding for IDEA, Part H, relating to early intervention, is provided in HTH 530 (mandate 2), HTH 550 (mandate 2), and HTH 570 (mandate 2).

|                 |                       |   |   |                      |
|-----------------|-----------------------|---|---|----------------------|
| Total HTH 570   | Fiscal Year 1997-1998 |   |   |                      |
| Operating Funds | For Federal Mandates  |   | = | For Total Program ID |
| State           | 2,499,696             | A | = | 12,045,027 A         |
| Federal         | 0                     | N | = | 29,675 N             |
| Total           | 2,499,696             |   | = | 12,074,702           |

**17. HTH 595 Health Resources Administration**

- Mandate: (See Mandate 1 under HTH 530 relating to Title V, Maternal and Child Health Services Block Grant.)

|                  |                       |   |                      |           |
|------------------|-----------------------|---|----------------------|-----------|
| Operating Funds: | Fiscal Year 1997-1998 |   |                      |           |
|                  | For Federal Mandates  |   | For Total Program ID |           |
| State            | 2,202,728             | A | 4,480,130            | A         |
|                  |                       |   | 29,598               | Other MOF |
| Federal          | 600,804               | N | 834,362              | N         |
| Total            | 2,803,532             |   | 5,344,090            |           |

Funding for Title V, Maternal and Child Health Services, is provided in HTH 530 (mandate 1), HTH 540 (mandate 2), HTH 550 (mandate 3), and HTH 595.

**23. HTH 430 Hawaii State Hospital**

- Mandate:
  - (1) *United States v. Hawaii*, Civil No. 91-00137 (DAE) (District Court of Hawaii Sept. 19, 1991) (settlement agreement and order, with the Department of Justice) (Formerly reported under HTH 420)
  - (2) *United States v. Hawaii*, Civil No. 91-00137 (DAE) (District Court of Hawaii January 19, 1995) (stipulation and order, with the Department of Justice).
  - (3) *United States v. Hawaii*, Civil No. 91-00137 (DAE) (District Court of Hawaii June 28, 1996) (stipulation and order, with the Department of Justice).

Description: Requires the State to ensure that conditions of confinement at the Hawaii State Hospital meet constitutional standards. Also requires the State to enhance community-based resources so that Hawaii State Hospital patients, who are ready to be discharged, can be served adequately in the community.

Sanctions: Contempt order.

|                  |                       |   |                      |              |
|------------------|-----------------------|---|----------------------|--------------|
| Operating funds: | Fiscal Year 1997-1998 |   |                      |              |
|                  | For Federal Mandates  |   | For Total Program ID |              |
| State            | 31,067,340            | A | =                    | 31,067,340 A |
| Federal          | 0                     |   |                      | 0            |
| Total            | 31,067,340            |   | =                    | 31,067,340   |

**24. 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.

- (3) Subparts II and III of Part B, Title XIX of the Public Health Service Act, 42 United States Code 300x-21 through 300x-64.

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 (*e.g.*, independent peer review of treatment programs, HIV early intervention services, group recovery homes, etc.) and programs for certain groups (pregnant women, injection drug users, Native Hawaiians). 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, §1926) and regulations which require the State to have in effect a law prohibiting the sale or distribution of tobacco products to individuals under the age of 18, annually conduct random, unannounced inspections of tobacco outlets, conduct law enforcement activities (stings using minors to buy tobacco products), and by the year 2000, reduce the number of illegal tobacco sales to minors to not more than 20% of tobacco outlets that have received random, unannounced inspections.

The SAPT block grant comprises approximately 50% of the Department of Health's POS budget to provide substance abuse services. Community-based nonprofit agencies throughout the State rely on these funds to provide needed treatment and prevention services. There are no state-operated substance abuse treatment facilities for the general public. The contracted treatment services for adults and adolescents funded by the block grant and state funds comprise the public safety net. The treatment services are provided to persons not covered by medical insurance and whose incomes do not exceed 300% of the federal poverty level.

Sanctions:

Regarding the SAPT block grant, sanctions include termination of funding, withholding of payments to the State, and requirement of repayment with interest for expenditures not in accordance with block grant requirements and conditions. The penalty for noncompliance with the MOE requirement regarding annual expenditures of state funds for substance abuse services is a reduction of the block grant by an amount equal to the difference

between the required and actual (lower) amount of state expenditures.

Regarding the Synar Amendment, the sanction is a 40% reduction of the block grant.

|                  |                       |   |   |                      |   |
|------------------|-----------------------|---|---|----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |   |                      |   |
|                  | For Federal Mandates  |   | = | For Total Program ID |   |
| State            | 6,271,580             | A | = | 6,271,580            | A |
| Federal          | 5,675,507             | N | = | 5,675,507            | N |
| Total            | 11,947,087            |   | = | 11,947,087           |   |

= No reduction, cap, or increase is presently scheduled for the SAPT block grant after FY 1997-1998. The State's annual block grant allotment is based on a formula set by law and is awarded after approval of the State's annual application. Hawaii's annual allotment has been increasing over the past several years.

< After FY 1997-1998, funding is scheduled to be discontinued for the categorical grant for pregnant/postpartum women and for the contract to improve a client data system. Funding is available through November 1998 for the categorical grant for rural, remote and culturally distinct populations. The contract to conduct demand and needs assessment studies is funded through November 1999.

Funding for SAPT is provided in HTH 440 and HTH 495 (mandate 2).

**25. 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.

Description: Result of a class action suit filed for all children and adolescents (ages 0-20 years) who are eligible for but not receiving educational and mental health services (plaintiff class) pursuant to the Individuals with Disabilities Education Act (IDEA) and section 504 of the Vocational Rehabilitation Act. Requires the State to develop and implement a new system of care to enable the plaintiff class to receive services under the IDEA and section 504. The new system of care must be fully implemented by June 30, 2000.

Sanctions: Penalties of up to \$25,000 per day per violation.

|                  |                       |   |   |                      |   |
|------------------|-----------------------|---|---|----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |   |                      |   |
|                  | For Federal Mandates  |   | = | For Total Program ID |   |
| State            | 45,277,752            | A | = | 45,277,752           | A |
|                  | 1,902,292             | B | = | 1,902,292            | B |
| Federal          | 4,598,644             | N | = | 4,598,644            | N |
| Total            | 51,778,688            |   | = | 51,778,688           |   |

= Federal fund levels are not anticipated to increase.

Funding for the *Felix v. Waihee* consent decree is provided in HTH 460 and HTH 495 (mandate 1).

**26. HTH 495 Behavioral Health Services Administration**

- Mandate 1: (See the *Felix v. Waihee* consent decree under HTH 460)

|                  |                       |   |
|------------------|-----------------------|---|
| Operating Funds: | Fiscal Year 1997-1998 |   |
| State            | 3,499,318             | A |
|                  | 1,771,150             | U |
| Federal          | 0                     |   |
| Total            | 5,270,468             |   |

Funding for the *Felix v. Waihee* consent decree is provided in HTH 460 and HTH 495 (mandate 1).

- Mandate 2: (see the alcohol and drug abuse mandates under HTH 440)

|                  |                       |   |
|------------------|-----------------------|---|
| Operating Funds: | Fiscal Year 1997-1998 |   |
| State            | 610,600               | A |
| Federal          | 521,784               | N |
| Total            | 1,132,384             |   |

Funding for SAPT is provided in HTH 440 and HTH 495 (mandate 2).

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Total HTH 495    | Fiscal Year 1997-1998 |                      |
| Operating Funds: | For Federal Mandates  | For Total Program ID |
| State            | 4,109,918 A           | 6,750,359 A          |
|                  | 1,771,150 U           | = 1,771,150 U        |
| Federal          | 521,784 N             | 644,783 N            |
| Total            | 6,402,852             | 9,166,292            |

**27. HTH 610 Environmental Health Services**

- Mandate 1: Toxic Substances Control Act (TSCA) of 1986, Public Law 99-419; Asbestos Hazardous Response Act (AHERA), Public Law 99-519, October 22, 1986; 40 Code of Federal Regulations, Part 763.

Description: Grants are awarded to require states to administer the Act's federal regulations. These acts require schools to identify, test, evaluate, and control asbestos-containing materials in all buildings used as a school. 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 who perform asbestos-related work in schools.

Sanctions: 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 Environmental Protection Agency. Federal funds would be withheld, resulting in a cutback to the State's federally funded staff positions.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 0                     |
| Federal          | 246,166 N             |
| Total            | 246,166               |

= These funds are not scheduled to be reduced after FY 1997-1998. The amount of funding is anticipated to remain at current levels.

- Mandate 2: 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. 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.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 0                     |
| Federal          | 184,995 N             |
| Total            | 184,995               |

= These funds are not scheduled to be reduced after FY 1997-1998. The amount of funding is anticipated to remain at current levels.

- Mandate 3: Clean Air Act of 1970, Public Law 91-604; 40 Code of Federal Regulations Part 61, National Emission Standards for Hazardous Air Pollutants (NESHAPS); 40 Code of Federal Regulations Part 763, Asbestos.

Description: Grants are awarded under this Act for 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

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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.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 0                     |
| Federal          | 82,000 N              |
| Total            | 82,000                |

= These funds are not scheduled to be reduced after FY 1997-1998. The amount of funding is anticipated to remain at current levels.

- Mandate 4: Clean Air Act of 1970, Public Law 91-604

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

Sanctions: Withholding of federal funds, resulting in a cutback to the State's federally funded staff positions.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 0                     |
| Federal          | 71,063 N              |
| Total            | 71,063                |

= These funds are not scheduled to be reduced after FY 1997-1998. The amount of funding is anticipated to remain at current levels.

- Mandate 5: Mammography Quality Standards Act (MQSA) of 1992

Description: The intent of the Act 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 U.S. Food and Drug Administration to obtain state assistance in enforcing the MQSA requirements including annual inspection of all certified mammography facilities. Funds (cost reimbursement) awarded under contractual agreements with the FDA supports the State's efforts in implementing the MQSA program.

Sanctions: Loss of funding, resulting in relinquishment of the primary authority to administer the State MQSA program as well as

necessary supplemental funds for the State's radiation program for implementing such activities, including staff training, public education, and necessary monitoring equipment. However, the FDA does not have a sufficient number of trained investigators to inspect the estimated 10,000 mammography facilities in the U.S.

Operating funds: Fiscal Year 1997-1998  
 State 0  
 Federal 0

Non-budget funds: 12,383 federal reimbursement funds

= These funds are not scheduled to be reduced after FY 1997-1998. The amount of funding is anticipated to remain at current levels.

|                  |                      |                       |                   |
|------------------|----------------------|-----------------------|-------------------|
| Total HTH 610    |                      | Fiscal Year 1997-1998 |                   |
| Operating funds: | For Federal Mandates | For Total Program ID  |                   |
| State            | 0                    | 5,143,669             | A                 |
| Federal          | 584,224 N            |                       |                   |
| adjustment       | (68,994) N           |                       |                   |
| Subtotal         | 515,230 N            | =                     | 515,230 N         |
|                  |                      |                       | 361,942 Other MOF |
| Total            | 515,230              |                       | 6,020,841         |

Non-budget funds: 68,994 adjustment, federal funds  
 12,383 federal reimbursement funds

**32. HTH 904 Executive Office on Aging**

(Formerly reported under GOV 602 in program area F: social services.)

Mandate: Older Americans Act of 1965, as amended, Public Law 89-73, Titles III and VII; 42 United States Code §§3001-30058; 45 Code of Federal Regulations Part 1321.

Description: Categorical grant funds are awarded to states to develop or strengthen service systems through designated state agencies on aging. A four-year state plan must be submitted for approval to the Assistant Secretary for Aging. Title III grants may be used for administration, access, legal and in-home services, and nutrition services. Title VII funds must be used to establish and operate statewide ombudsman services for older individuals living in long-term care facilities, and to develop and enhance programs for the prevention of elder abuse, neglect, and exploitation.

Sanctions: Withholding and loss of funds.

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|                  |                       |   |                      |             |
|------------------|-----------------------|---|----------------------|-------------|
| Operating funds: | Fiscal Year 1997-1998 |   |                      |             |
|                  | For Federal Mandates: |   | For Total Program ID |             |
| State            | 4,975,354             | A | =                    | 4,975,354 A |
| Federal          | 5,696,416             | N | =                    | 5,696,416 N |
| Total            | 10,671,770            |   | =                    | 10,671,770  |

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

- Mandate:** Developmental Disabilities Assistance and Bill of Rights Act Amendments of 1996, Public Law 104-183.

**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.

**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 1997-1998 |   |                      |           |
|                  | For Federal Mandate   |   | For Total Program ID |           |
| State            | 79,736                | A | =                    | 79,736 A  |
| Federal          | 433,728               | N | =                    | 433,728 N |
| Total            | 513,464               |   | =                    | 513,464   |

## PROGRAM AREA F: SOCIAL SERVICES

**Objective:** To enable individuals and families in need to attain a minimally adequate standard of living and to achieve the social and psychological adjustments necessary to successful living in modern society.

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

**Programs with Mandates:**

1. HMS 301 Child Welfare Services
2. HMS 302 Child Day Care Services
3. HMS 303 Child Placement Board and Related Client Payments
4. HMS 601 Adult Community Care Services Branch
5. HMS 501 Youth Services Administration
6. HMS 502 Youth Services Program
7. HMS 503 Youth Residential Programs
10. HMS 201 Temporary Assistance to Needy Families
11. HMS 202 Payments to Assist the Aged, Blind, & Disabled
13. HMS 206 Federal Assistance Payments
15. HMS 220 Rental Housing Services
16. HMS 807 Teacher Housing
17. HMS 229 Housing Assistance Administration
20. BUF 227 Housing Finance
22. HMS 222 Rental Assistance Services
23. HMS 224 Homeless Services
25. HMS 230 Health Care Payments
27. HMS 245 QUEST Health Care Payments
28. HMS 236 Eligibility Determination and Employment Related Services
29. HMS 238 Disability Determination
30. ATG 500 Child Support Enforcement Services
31. HMS 237 Food Stamp Employment & Training
36. HMS 902 General Support for Health Care Payments
37. HMS 903 General Support for Benefits, Employment & Support Services
38. HMS 904 General Administration (DSSH)
39. HMS 901 General Support for Social Services

**Programs with Former Mandates:** None

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**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs  
During Fiscal Year 1997-1998**

| Program ID             | A           | B       | N           | T         | U          | W         | Program ID<br>Total |
|------------------------|-------------|---------|-------------|-----------|------------|-----------|---------------------|
| 1. HMS 301             | 12,897,729  | 0       | 10,976,066  | 0         | 0          | 0         | 23,873,795          |
| 2. HMS 302             | 5,548,216   | 0       | 9,736,544   | 0         | 0          | 0         | 15,284,760          |
| 3. HMS 303             | 4,314,057   | 0       | 6,096,935   | 0         | 0          | 0         | 10,410,992          |
| 4. HMS 601             | 677,654     | 0       | 4,188,686   | 0         | 0          | 0         | 4,866,340           |
| 5. HMS 501             | 56,000      | 0       | 673,000     | 0         | 0          | 0         | 729,000             |
| 6. HMS 502             | 0           | 0       | 723,629     | 0         | 0          | 0         | 723,629             |
| 7. HMS 503             | 0           | 0       | 1,490,800   | 0         | 0          | 0         | 1,490,800           |
| 10. HMS 201            | 44,009,296  | 0       | 85,910,687  | 0         | 0          | 0         | 129,919,983         |
| 11. HMS 202            | 29,474,516  | 0       | 0           | 0         | 0          | 0         | 29,474,516          |
| 13. HMS 206            | 0           | 0       | 1,491,331   | 0         | 0          | 0         | 1,491,331           |
| 15. HMS 220            | 0           | 0       | 0           | 0         | 0          | 0         | 0                   |
| 16. HMS 807            | 0           | 0       | 0           | 0         | 0          | 0         | 0                   |
| 17. HMS 229            | 0           | 0       | 0           | 0         | 0          | 0         | 0                   |
| 22. HMS 222            | 0           | 0       | 0           | 0         | 0          | 0         | 0                   |
| 23. HMS 224            | 0           | 0       | 0           | 0         | 0          | 0         | 0                   |
| 25. HMS 230            | 142,235,120 | 0       | 147,645,121 | 0         | 6,000,000  | 0         | 295,880,241         |
| 27. HMS 245            | 166,963,798 | 0       | 169,005,837 | 0         | 0          | 0         | 335,969,635         |
| 28. HMS 236            | 10,732,879  | 0       | 12,468,335  | 0         | 0          | 0         | 23,201,214          |
| 29. HMS 238            | 0           | 0       | 3,417,168   | 0         | 0          | 0         | 3,417,168           |
| 30. ATG 500            | 1,396,334   | 0       | 12,438,663  | 2,424,620 | 0          | 0         | 16,259,617          |
| 31. HMS 237            | 460,640     | 0       | 814,412     | 0         | 0          | 0         | 1,275,052           |
| 36. HMS 902            | 3,865,865   | 0       | 5,325,932   | 0         | 0          | 0         | 9,191,797           |
| 37. HMS 903            | 9,668,774   | 0       | 14,514,162  | 0         | 0          | 0         | 24,182,936          |
| 38. HMS 904            | 1,040,111   | 0       | 902,677     | 0         | 0          | 0         | 1,942,788           |
| 39. HMS 901            | 22,494      | 0       | 73,028      | 0         | 0          | 0         | 95,522              |
| Mandate Funds<br>Total | 433,363,483 | 0       | 487,893,013 | 2,424,620 | 6,000,000  | 0         | 929,681,116         |
| Area                   | 556,871,953 | 12,362, | 570,919,888 | 8,277,445 | 18,071,967 | 4,433,679 | 1,170,937,715       |
| Appropriation          |             | 783     |             |           |            |           |                     |
| Mandate/Area           | 0.77821     | 0.00000 | 0.85457     | 0.29292   | 0.33201    | 0.00000   | 0.79396             |

## The Programs

### 1. HMS 301 Child Welfare Services

- **Mandate 1:** The Children's Justice Act Grant:
  - (1) Child Abuse Prevention and Treatment Act, Jan. 31, 1974, Public Law 93-247, §107(a)-(f), as amended; 42 United States Code §5101 et seq.
  - (2) Victims of Crime Act of 1984, Public Law 98-473, as amended; 42 United States Code §10601 et seq.

**Description:** To receive this grant, the State must:

  - (A) Have in effect a law and be operating a program relating to child abuse and neglect;
  - (B) Establish and maintain a statewide task force with specific representation which will review and evaluate at three year intervals state investigative, administrative, and judicial handling of child abuse and neglect cases. The task force must make policy and training recommendations based on this review and the State must adopt those recommendations.

**Sanctions:** Loss of grant funds which support:

  - (A) Training throughout the State to improve the handling of child abuse and neglect cases while minimizing trauma to the child victim;
  - (B) The development of medical and legal protocols for physical abuse cases;
  - (C) The formation of state and county child death review teams;
  - (D) The implementation of demonstration projects in connection with the State's reform of its child welfare services system;
  - (E) Semiannual forums to develop legislation, rules, and procedures to improve the handling of child abuse and neglect cases in the State.

|                         |                       |
|-------------------------|-----------------------|
| <b>Operating funds:</b> | Fiscal Year 1997-1998 |
| State                   |                       |
| Federal                 | 68,975                |
  
- **Mandate 2:** State Child Abuse and Neglect State Grant
 

Child Abuse Prevention and Treatment Act (CAPTA), Jan. 31, 1974, Public Law 93-247, §106 (a) - (d), as amended; 42 United States Code §5101 et seq.

**Description:** To receive this grant, the State must:

  - (A) Prepare and submit a state plan every 5 years that specifies which areas of the child protective services system listed in CAPTA the State intends to address with this grant;

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- (B) Notify the Secretary of Health and Human Services of any substantive changes to the State's laws relating to child abuse and neglect that may affect the State's eligibility for grant program;
- (C) Coordinate this state plan with that of the federal Title IV-B program;
- (D) Have in effect a state law and operate a statewide program relating to child abuse and neglect that implements 13 statutory, regulatory, or procedural requirements specified in CAPTA;
- (E) Establish a citizen review panel to monitor implementation of the above; and
- (F) Provide annual state data and program reports.

Sanctions:

Loss of grant funds which support:

- (A) A diversion program for up to 500 families on Oahu which are at low risk for child abuse or neglect;
- (B) Training and technical assistance for several pilot projects to improve the delivery of child welfare protective services;
- (C) Statewide training to implement statutory and procedural changes required by CAPTA;
- (D) Mentoring for foster youth on Oahu;
- (E) The development and implementation of a comprehensive family assessment protocol; and
- (F) Training for foster parents.

Noncompliance would also jeopardize the State's eligibility for the federal Children's Justice Act Grant program.

Operating funds:  
State  
Federal

Fiscal Year 1997-1998

130,215 N

• Mandate 3:

Domestic Violence Shelter and Support Services

Family Violence Prevention and Services Act, Oct. 9, 1984, Public Law 98-457, as amended, 42 United States Code §10401 et seq.

Description:

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: Loss of grant funds which partially support eight domestic violence shelters throughout the State. These funds will comprise 23% of the total purchase of service funding to be expended by the department for the shelters in fiscal year 1998. This translates to 1,857 hotline calls, 117 families with children, 101 single adults, 258 children, and 6,542 beds.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 1,362,461 A           |
| Federal          | 400,000 N             |
| Total            | 1,762,461             |

> Federal funds are scheduled to increase in fiscal year 1998-1999 by \$9,534. The State is expected to meet its 25% match requirement through cash, donated funds, or non-public third party in-kind contributions.

- Mandate 4: Adoption Opportunities Program

Public Law 95-266, Title II of the Child Abuse Prevention and Treatment and Adoption Reform Act.

Description: The grant supports demonstration projects to improve adoption practices; eliminate barriers to adoption; and find permanent homes for children, particularly children with special needs.

Sanctions: Temporary withholding of grant funds. Disallowance of all or part of the costs. Suspension or termination of the grant award. Withholding of further awards for the program.

|                 |                       |
|-----------------|-----------------------|
| Operating funds | Fiscal Year 1997-1998 |
| State           | 12,500 A              |
| Federal         | 125,000 N             |
| Total           | 137,500               |

- Mandate 5: Federal Independent Living Program

Social Security Act, Apr. 7, 1986, Public Law 99-272, Title IVE, Sections 472, 474, 475, and 477, as amended by the Omnibus Budget Reconciliation Act of 1993, Public Law 103-66.

(Formerly reported under HMS 303.)

Description: The grant supports states' efforts at assisting youths, aged 16 and older, presently or formerly in foster care, in making a successful transition to adult independent living. The grant requires in part

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that youths in foster care be given a written independent living transitional plan that describes the programs and services developed to assist them in making the transition out of foster care. The plan must be included in the youth's case plan.

Sanctions: Reimbursement of Independent Living grant funds, if an audit shows that independent living transitional plans were not given to the youths and included in their case plans.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 6,300 A               |
| Federal          | 20,000 N              |
| Total            | 26,300                |

Mandate 6: Title IVB, Section 427, Incentive Funds:

- (1) Adoption Assistance and Child Welfare Act of 1980, Public Law 96-272, Title IVB, §427; 42 United States Code §670 et seq., 94 Statutes at Large §§501, 620 et seq., 94 Statutes at Large §516 et seq.
- (2) Social Security Act, Section 1102, as amended; 42 United States Code §1302.

Description: Grant-in-aid conditions and requirements. Incentive funds are provided under Title IVB, §427, to states which meet additional requirements aimed at preventing the placement of children, returning them expeditiously to their own homes, or placing them in adoption or permanent out-of-home care. The following must be established and maintained: an inventory of all children in out-of-home care; a statewide system to track children in out-of-home care; a case review system, including one for the judicial review of the child's status; a case plan for the child, including an Independent Living Program transition plan for youths aged sixteen and older; and placement and reunification services. After the funds are released, periodic federal compliance reviews are conducted. The requirements pertaining to these incentive funds have been enacted into state law.

Sanctions: Loss of \$500,000 in Title IVB incentive funds.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 115,681 A             |
| Federal          | 462,723 N             |
| Total            | 578,404               |

- Mandate 7: Title IVB, Subpart 1, Child Welfare Services, 42 United States Code §620 et seq., 42 United States Code §1302. Public Law 103-66. 45 Code of Federal Regulations Part 1357.

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

The mandate applies to Title IVB, Subpart 1, which is a yearly appropriation.

Sanctions: Withholding of federal funds until compliance is achieved. Loss of federal funds totaling \$1,178,854 (\$500,424 for HMS 301, \$678,430 for HMS 303), for non-participation.

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 125,106               | A |
| Federal          | 500,424               | N |
| Total            | 625,530               |   |

Funding for Title IVB, Subpart 1, Child Welfare Services, is provided under HMS 301 (mandate 7) and HMS 303 (mandate 1).

- Mandate 8: Title IV-B, Subpart 2, Family Preservation and Support Services, of the Social Security Act (Public Law 103-66, Omnibus Budget Reconciliation Act of 1993).

Description: Title IV-B, subpart 2, is a federal capped entitlement to fund planning and design of a continuum of services responsive to the diverse needs of children and families, and establishment of community-based family support services (preventive services) and family preservation services (services for families at risk or in crisis). Funds used for planning are 100% federally reimbursable. Funds used to provide services are federally reimbursed at 75%. The 25% state match may be in cash, donated funds, non-public third party in-kind contributions.

Sanctions: Termination of funding.

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 194,319               | A |
| Federal          | 657,248               | N |
| Total            | 851,567               |   |

Funding for Title IV-B, Subpart 2, is provided under HMS 301 (mandate 8) and HMS 901.

- Mandate 9: Title IVE Foster Care Maintenance Payments and Adoption Assistance:  
 (1) Adoption Assistance and Child Welfare Act of 1980, Public Law 96-272, Title IVE; 42 United States Code

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- (2) §670 et seq., 94 Statutes at Large §§501, 620 et seq., 94 Statutes at Large §516 et seq.  
Social Security Act, Section 1102, as amended; 42 United States Code §1302.

Description: Title IVE makes federal funds available to the states for child foster care.

Sanctions: Possible loss of grant funds under Title IVA, Temporary Assistance to Needy Families (TANF), formerly Aid to Families with Dependent Children (AFDC). Federal approval of the Title IVA state plan is contingent upon the State's participation in the Title IVE grant program, or its compliance with program requirements. Consequently, a loss of funds would reduce staff and services for families otherwise eligible for TANF benefits.

Operating funds: Fiscal Year 1997-1998  
State 11,081,362 A  
Federal 15,665,171 N  
26,746,533

Funding for Title IV-E, Foster Care, is provided under HMS 301 (mandate 9) and HMS 303 (mandate 2).

- Mandate 10: Title XX Social Services Block Grant  
  
Title XX of the Social Security Act, 42 United States Code §1397, as added by the Social Services Block Grant Act, Aug. 13, 1981, Public Law 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: Loss of funds. Staff and services for eligible children and adults would be reduced.

Operating funds: Fiscal Year 1997-1998  
State  
Federal 5,685,674 N

Funding for Title XX, Social Services Block Grant, is provided under HMS 301 (mandate 10), HMS 601 (mandate 3), HMS 502, and HMS 503.

|                   |  |                       |               |                      |              |
|-------------------|--|-----------------------|---------------|----------------------|--------------|
| Total HMS 301     |  | Fiscal Year 1997-1998 |               |                      |              |
| Operating funds:  |  | For Federal Mandates  |               | For Total Program ID |              |
| State             |  | 12,897,729            | A             | 17,254,003           | A            |
|                   |  |                       |               | 100,000              | Other MOF    |
| Federal           |  | 23,715,006            | N             |                      |              |
| Adjustment        |  | (12,739,364)          |               |                      |              |
| Subtotal          |  | 10,975,642            | N             | =                    | 10,975,642 N |
| Total             |  | 23,873,371            |               |                      | 28,329,645   |
| Non-budget funds: |  | 12,739,364            | federal funds |                      |              |

**2. HMS 302 Child Day Care Services**

- Mandate:
  - (1) Family Support Act of 1988, Public Law 100-485.
  - (2) Social Security Act, §§402, 403, and 1102, as amended. 45 Code of Federal Regulations §§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: Requires the State to 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 are not satisfied.

|                  |  |                       |   |                      |             |
|------------------|--|-----------------------|---|----------------------|-------------|
| Operating funds: |  | Fiscal Year 1997-1998 |   |                      |             |
|                  |  | For Federal Mandates  |   | For Total Program ID |             |
| State            |  | 5,548,216             | A | =                    | 5,548,216 A |
| Federal          |  | 9,736,544             | N | =                    | 9,736,544 N |
| Total            |  | 15,284,760            |   | =                    | 15,284,760  |

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

- Mandate 1: (See Mandate 7 under HMS 301 relating to Title IVB, Subpart 1, Child Welfare Services.)

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|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 169,608               | A |
| Federal          | 678,430               | N |
| Total            | 848,038               |   |

Funding for Title IVB, Subpart 1, Child Welfare Services, is provided under HMS 301 (mandate 7) and HMS 303 (mandate 1).

- Mandate 2: (See Mandate 9 under HMS 301 relating to Title IVE Foster Care Maintenance Payments and Adoption Assistance.)

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 4,144,449             | A |
| Federal          | 5,418,505             | N |

Funding for Title IV-E, Foster Care, is provided under HMS 301 (mandate 9) and HMS 303 (mandate 2).

|                  |            |                       |                      |
|------------------|------------|-----------------------|----------------------|
| Total HMS 303    |            | Fiscal Year 1997-1998 |                      |
| Operating funds: |            | For Federal Mandates  | For Total Program ID |
| State            | 4,314,057  | A                     | 11,986,770           |
| Federal          | 6,096,935  | N                     | 7,738,775            |
| Total            | 10,410,992 |                       | 19,725,545           |

**4. HMS 601 Adult Community Care Services Branch**

- Mandate 1: 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 1973, 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 service opportunities for low-income seniors aged 60 and older, and to provide supportive person-to-person services to children under age 21 who have disabilities and other special needs.

Sanctions: Termination of stipended work for approximately 120 low-income seniors, and of services for approximately 500 special needs children.

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 275,697               | A |
| Federal          | 295,599               | N |

- Mandate 2: Senior Companion Program; Respite Companion Service Program:

  - (1) 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.
  - (2) 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. §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 100 low-income seniors, and of services to approximately 525 homebound elders.
  - (2) Termination of employment training for approximately 42 low-income seniors, and of services for approximately 275 homebound elders.

Operating funds: Fiscal Year 1997-1998

|         |         |   |
|---------|---------|---|
| State   | 401,957 | A |
| Federal | 534,777 | N |
| Total   | 936,734 |   |

- Mandate 3: (See Mandate 10 under HMS 301 relating to the Title XX Social Services Block Grant.)

Operating funds: Fiscal Year 1997-1998

|         |           |   |
|---------|-----------|---|
| State   |           |   |
| Federal | 3,358,310 | N |

Funding for Title XX, Social Services Block Grant, is provided under HMS 301 (mandate 10), HMS 601 (mandate 3), HMS 502, and HMS 503.

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|                  |           |                       |                      |
|------------------|-----------|-----------------------|----------------------|
| Total HMS 601    |           | Fiscal Year 1997-1998 |                      |
| Operating funds: |           | For Federal Mandates  | For Total Program ID |
| State            | 677,654   | A                     | 7,217,567            |
|                  |           |                       | 241,636              |
|                  |           |                       | Other MOF            |
| Federal          | 4,188,686 | N                     | 4,931,441            |
| Total            | 4,866,340 |                       | 12,390,644           |

**5. 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 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.

- Sanctions:
- (1) Loss of 25% of the annual \$600,000 allocation for each mandate the State is deemed in noncompliance;
  - (2) Jeopardization of eligibility for other programs under the Act; and
  - (3) Risk of civil liability since state and federal statutes would be violated.

|                  |                      |                       |                      |
|------------------|----------------------|-----------------------|----------------------|
| Operating funds: |                      | Fiscal Year 1997-1998 |                      |
|                  | For Federal Mandates |                       | For Total Program ID |
| State            | 56,000               | A                     | 1,170,658            |
| Federal          | 673,000              | N                     | 1,535,505            |
| Total            | 729,000              |                       | 2,706,163            |

**6. HMS 502 Youth Services Program**

- Mandate: (See Mandate 10 under HMS 301 relating to Title XX, Social Services Block Grant.)

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |                      |
|                  | For Federal Mandates  | For Total Program ID |
| State            |                       | 3,540,706 A          |
| Federal          | 723,629 N             | 725,342 N            |
| Total            | 723,629               | 4,266,048            |

Funding for Title XX, Social Services Block Grant, is provided under HMS 301 (mandate 10), HMS 601 (mandate 3), HMS 502, and HMS 503.

**7. HMS 503 Youth Residential Programs**

- Mandate: (See Mandate 10 under HMS 301 relating to Title XX, Social Services Block Grant.)

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |                      |
|                  | For Federal Mandates  | For Total Program ID |
| State            |                       | 4,404,779 A          |
| Federal          | 1,490,800 N           | 1,502,204 N          |
| Total            | 1,490,800             | 5,906,983            |

Funding for Title XX, Social Services Block Grant, is provided under HMS 301 (mandate 10), HMS 601 (mandate 3), HMS 502, and HMS 503.

**10. HMS 201 Temporary Assistance to Needy Families**

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

Description: Requires a state to obtain federal approval of a state plan before it can participate in the Temporary Assistance to Needy Families (TANF) program.

The State used 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 the 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 implement the state plan. Partial loss of funds based on federal management/fiscal audit findings for non-compliance with particular program requirements.

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|                  |                       |   |   |                      |
|------------------|-----------------------|---|---|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |   |   |                      |
|                  | For Federal Mandates  |   | = | For Total Program ID |
| State            | 44,009,296            | A | = | 44,009,296           |
| Federal          | 85,910,687            | N | = | 85,910,687           |
| Total            | 129,919,983           |   | = | 129,919,983          |

= Federal funds have been capped effective fiscal year 1996. The federal fund capped amount will remain in effect until FFY 2001. The State has increased its funding to supplement the loss in anticipated federal funds. The federal law mandates that the State must maintain funding at 80% of the 1995 funding level. Hawaii is exceeding that amount.

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

- **Mandate:** Social Security Act, Title XVI, Sections 1611-1635 (earliest sections added Oct. 30, 1972, Public Law 92-603); 42 United States Code §§1381-1383d.

**Description:** States that make Supplementary 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.

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.

|                  |                       |   |   |                      |
|------------------|-----------------------|---|---|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |   |   |                      |
|                  | For Federal Mandates  |   | = | For Total Program ID |
| State            | 29,474,516            | A | = | 29,474,516           |
| Federal          |                       |   |   |                      |
| Total            | 29,474,516            |   | = | 29,474,516           |

Fiscal year 1997 and 1998 state appropriations increased significantly over previous fiscal years. These appropriations include the needs of current SSI recipients who may lose eligibility as a result of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. The Act denies eligibility to non-citizens who comprise approximately 30% of our SSI population. The state appropriations replace these federal SSI benefits with state money.

**13. HMS 206 Federal Assistance Payments**

- **Mandate 1:** Food Stamp Program  
  
Food Stamp Act of 1977, Public Law 95-113, as amended; 7 United States Code §§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 Dec. 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 noncompliance with any program requirements.  
  
**Operating funds:** Fiscal Year 1997-1998  
State  
Federal  
  
Non-budget funds:206,764,800 federal funds  
  
These non-budget federal funds represent the anticipated value of Food Stamp benefits to be issued by the State during FY 1997-1998.  
  
< Funds for food stamp coupons have increased annually each October, based on increases in the federal poverty levels for Hawaii. However, this year, the Department is uncertain of the effect that the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 will have on the food stamp program. Food Stamp eligibility was reduced or eliminated for several groups of people. This could significantly reduce the amount of food stamp dollars received by the State.  
  
The federal government will continue to fund 100 percent of the food stamp benefits.
- **Mandate 2:** Low Income Home Energy Assistance Program (LIHEAP)  
  
Low Income Home Energy Assistance Act of 1981, Public Law 97-35, Title XXVI, as amended by Public Law 98-558, Title VI,

FEDERALLY MANDATED STATE PROGRAMS

Oct. 30, 1984; Public Law 99-425, Title V, Sept. 30, 1986; Public Law 101-501, Title VII, Nov. 3, 1990. 42 United States Code §8621 et. seq.

**Description:** An agreement between the State and the federal government calls for the submittal and federal approval of a state plan to assist low income households with the high cost of energy consumption (for electricity and gas). Low income households are those with gross incomes less than 150% of the federal poverty level for Hawaii, that are indebted to pay for electricity and gas consumption.

**Sanctions:** Loss of federal funding, for choosing not to participate. Reimbursement of any misspent funds, for noncompliance with any program requirements.

**Operating funds:** Fiscal Year 1997-1998

|         |             |
|---------|-------------|
| State   |             |
| Federal | 1,491,331 N |

**Total HMS 206**

|                         |                       |                      |
|-------------------------|-----------------------|----------------------|
| <b>Operating funds:</b> | Fiscal Year 1997-1998 |                      |
|                         | For Federal Mandates  | For Total Program ID |
| State                   |                       |                      |
| Federal                 | 1,491,331 N           | = 1,491,331 N        |
| Total                   | 1,491,331             | = 1,491,331          |

Non-budget funds:206,764,800 federal funds for food stamp coupons

**15. HMS 220 Rental Housing Services**

- **Mandate 1:** Residential Lead-Based Paint Hazard Reduction Act of 1992, Title X, §1018.

**Description:** A direct mandate that requires the Hawaii Housing Authority, as the property owner of public housing rental units, to disclose any known lead-based paint or any known lead-based paint hazards in housing units offered for lease which were built before 1978.

**Sanctions:** Civil monetary penalties of up to \$10,000 for each violation. Treble damages to lessees.

**Operating funds:** Fiscal Year 1997-1998 unquantifiable

- **Mandate 2:**
  - (1) Natural Gas Pipeline Safety Act of 1968, as amended, 49 United States Code §1671 et seq.
  - (2) Hazardous Liquid Pipeline Safety Act of 1979, Title II, Public Law 96-129.
  - (3) Hazardous Materials Transportation Act, as amended, 49 United States Code §1801 et seq.

Description: A direct mandate that requires the Hawaii Housing Authority, as the operator of small gas systems, to safely deliver gas by: (1) having each buried pipeline, installed after July 31, 1971, protected by a cathodic protection system designed to protect the entire pipeline; (2) testing the effectiveness of cathodic protection on metallic pipes, each calendar year with intervals not exceeding 15 months; and (3) inspecting rectifiers, if used, at least 6 times a year, but with intervals not exceeding 20 months.

Sanctions: Civil monetary penalties not to exceed \$10,000 for each violation, and \$500,000 for any related series of violations.

Operating funds: Fiscal Year 1997-1998 unquantifiable

- Mandate 3: Americans with Disabilities Act of 1990, Title II, Subtitle A, Public Law 101-336; 28 Code of Federal Regulations Part 35.

Description: Prohibits discrimination on the basis of disability by public entities. Subtitle A protects qualified individuals with disabilities from discrimination on the basis of disability in the services, programs, or activities of all state and local governments. Extends the prohibition against discrimination in federally assisted programs established by section 504 of the Rehabilitation Act of 1973 to all activities of state and local governments, including those that do not receive federal financial assistance, and incorporates specific prohibitions of discrimination on the basis of disability from Titles I (Employment), III (Public Accommodations), and V (Miscellaneous Provisions) of the Act.

Operating funds: Fiscal Year 1997-1998 unquantifiable

**16. HMS 807 Teacher Housing**

- Mandate 1: (See Mandate 1 under HMS 220 relating to Residential Lead-Based Paint Hazard Reduction Act.)
- Mandate 2: (See Mandate 2 under HMS 220 relating to Natural Gas Pipeline Safety Act et al.)
- Mandate 3: (See Mandate 3 under HMS 220 relating to Americans with Disabilities Act of 1990.)

**17. HMS 229 Housing Assistance Administration**

- Mandate: (See Mandate 3 under HMS 220 relating to Americans with Disabilities Act of 1990.)

*FEDERALLY MANDATED STATE PROGRAMS*

**20. BUF 227 Housing Finance**

- **Mandate:** Endangered Species Act, Section 7, Endangered Plant Preservation.
  
- Description:** A direct mandate under which federal consultation requirements allow U.S. Fish and Wildlife Service staff to impose requirements on the Housing Finance and Development Corporation (HFDC). Imposition of the requirements result from the discovery of six species of Hawaiian plants on a housing site in Kealahou, Hawaii which have been federally designated as having “threatened” or “endangered” status or as being candidates for such status. Fish and Wildlife staff have directed implementation of a mitigation program, plus establishment of preserves outside the project area. The requirements conflict with comparable state law, but both federal and state requirements must be met.
  
- Sanctions:** U.S. Fish and Wildlife or third party can seek injunctive relief.
  
- Operating funds**  
State  
Federal  
  
Fiscal Year 1997-1998
  
- Non-budget funds: 2,200,000 State revolving fund
  
- The revolving fund is authorized under section 201E-204, Hawaii Revised Statutes.

**22. HMS 222 Rental Assistance Services**

- **Mandate 1:** (See Mandate 1 under HMS 220 relating to Residential Lead-Based Paint Hazard Reduction Act.)
  
- **Mandate 2:** (See Mandate 3 under HMS 220 relating to Americans with Disabilities Act of 1990.)

**23. HMS 224 Homeless Services**

- **Mandate 1:** (See Mandate 2 under HMS 220 relating to Natural Gas Pipeline Safety Act of 1968 et al.)
  
- **Mandate 2:** (See Mandate 3 under HMS 220 relating to Americans with Disabilities Act of 1990.)

**25. 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 states. The Medicaid

coverage  
QUEST.

program assists the states at providing better medical assistance to eligible needy persons. Hawaii has also been granted a section 1115 waiver which allows the State to provide health care through the demonstration program called Hawaii

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 administrative costs.

Sanctions: Loss of federal funds of approximately \$350,000,000 per year for discontinuing Medicaid and the Hawaii QUEST programs.

| Operating funds: | Fiscal Year 1997-1998 |     |                      |   |
|------------------|-----------------------|-----|----------------------|---|
|                  | For Federal Mandates  |     | For Total Program ID |   |
| State            | 142,235,120           | A = | 142,235,120          | A |
|                  | 6,000,000             | U = | 6,000,000            | U |
| Federal          | 147,645,121           | N = | 147,645,121          | N |
| Total            | 289,880,241           | =   | 295,880,241          |   |

Funding for Medicaid, Title XIX, is provided under HMS 230, HMS 245, and HMS 902.

**27. HMS 245 QUEST Health Care Payments**

- Mandate: (See HMS 230 relating to Title XIX, Medicaid.)

| Operating funds: | Fiscal Year 1997-1998 |     |                      |   |
|------------------|-----------------------|-----|----------------------|---|
|                  | For Federal Mandates  |     | For Total Program ID |   |
| State            | 166,963,798           | A = | 166,963,798          | A |
| Federal          | 169,005,837           | N = | 169,005,837          | N |
| Total            | 335,969,635           | =   | 335,969,635          |   |

Funding for Medicaid, Title XIX, is provided under HMS 230, HMS 245, and HMS 902.

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

- Mandate 1:
  - Family Support Act of 1988, Public Law 100-485, Title II. (Social Security Act, Title IV-F).
  - Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, Title I - Block Grants for Temporary Assistance for Needy Families (TANF).

(Formerly reported under HMS 701 JOBS program.)

Description: State IV-A agencies must initiate a Job Opportunities and Basic Skills (JOBS) program, under a plan approved by the Secretary of Health and Human Services, no later than October 1, 1990; in the alternative, states must make the program available in each subdivision of the State, where feasible, by October 1, 1992.

FEDERALLY MANDATED STATE PROGRAMS

Title II of the Family Support Act establishes the JOBS program under Title IV-F of the Social Security Act. JOBS was established to ensure that needy families with children obtain the kind of education, training, and employment that makes it possible for those families to avoid long-term welfare dependence. As a supplement to these employment, education, and training activities, Title III of the Family Support Act also authorizes child care and other services.

PRWORA requires that under a plan approved by the Secretary of Health and Human Services, the State must implement the TANF program and become subject to TANF rules. This plan, together with the Pursuit of New Opportunities (PONO) waiver defines how the work program shall provide assistance to needy families with (or expecting) children and provides parents with job preparation, work, and support services to enable them to leave the program and become self-sufficient.

Sanctions:

Failure to institute a JOBS program could disqualify the State from participating in the Aid to Families with Dependent Children (AFDC/TANF) grant program. Also, failure to comply with the required participation rates of the JOBS program could cause the program's federal matching rates to be reduced.

Under PRWORA, if the Secretary determines that a state to which a grant is made for a fiscal year has failed to comply with the participation rate requirements for the fiscal year, the Secretary shall reduce the grant payable to the State for the immediately succeeding fiscal year by an amount equal to not more than the applicable percentage of the state family assistance grant.

Operating funds:

|         | Fiscal Year 1997-1998 |
|---------|-----------------------|
| State   | 1,546,846 A           |
| Federal | 2,518,716 N           |
| Total   | 4,065,562             |

Funding for JOBS and TANF is provided under HMS 236 (mandate 1) and HMS 903 (mandate 1).

- Mandate 2:
  - (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 §§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 702. 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 1997-1998 |   |
| State            | 9,186,033             | A |
| Federal          | 9,949,619             | N |
| Total            | 19,135,652            |   |

Funding for PRWORA et al. is provided under HMS 236 (mandate 2) and HMS 903 (mandate 2).

= Federal funds under the PRWORA of 1996 have been capped effective federal fiscal year 1997. The federal fund capped amount will remain in effect until FFY 2001. The State has increased its funding to supplement the loss in anticipated federal funds. The federal law mandates that the State must maintain funding at 80% of the 1995 funding level. Hawaii is exceeding this amount. The law also restricts federal funds to 15% of the total block grant. There is no federal administrative cap under the food stamps and medicaid programs.

|                  |                       |   |   |                      |
|------------------|-----------------------|---|---|----------------------|
| Total HMS 236    |                       |   |   |                      |
| Operating funds: | Fiscal Year 1997-1998 |   |   |                      |
|                  | For Federal Mandates  |   | = | For Total Program ID |
| State            | 10,732,879            | A | = | 10,732,879           |
| Federal          | 12,468,335            | N | = | 12,468,335           |
| Total            | 23,201,214            |   | = | 23,201,214           |

**29. HMS 238 Disability Determination**

- Mandate: Social Security Act, Title XVI

Description: A direct mandate that requires the processing of applications for Social Security Disability Insurance and Supplemental Insurance benefits. Evaluations are obtained and eligibility determinations made against standards to determine if the impairments are significant enough to be qualifying.

Sanctions: Loss of funds, for failure to comply with program standards.

|                  |                       |   |  |                      |
|------------------|-----------------------|---|--|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |   |  |                      |
|                  | For Federal Mandate   |   |  | For Total Program ID |
| State            | 0                     |   |  |                      |
| Federal          | 3,417,168             | N |  | 3,866,611            |
| Total            | 3,417,168             | N |  | 3,866,611            |

= Federal funding levels are not scheduled to change after FY 1997-1998.

**30. 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 joint federal-state effort with the goal of ensuring that children are financially supported by both parents. Major services include locating non-custodial parents, establishing paternity, establishing child support obligations, enforcing support orders, and receiving and disbursing support collections.
- Sanctions:** Title IV-D participation is a requirement for continued federal participation with the State’s financial assistance (Temporary Assistance for Needy Families) programs. Failure by the State to comply with the Title IV-D could lead to penalties against the State, 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. Failure by the State to fund its share of operating costs could lead to the State being held in noncompliance with its charter with the federal government.

|                         |                       |                     |            |                      |
|-------------------------|-----------------------|---------------------|------------|----------------------|
| <b>Operating funds:</b> | Fiscal Year 1997-1998 |                     |            |                      |
|                         |                       | For Federal Mandate |            | For Total Program ID |
| State                   | 1,396,334             | A =                 | 1,396,334  | A                    |
|                         | 2,424,620             | T =                 | 2,424,620  | T                    |
| Federal                 | 12,438,663            | N =                 | 12,438,663 | N                    |
| Total                   | 16,259,617            | =                   | 16,259,617 |                      |

= Federal fund participation rates are not scheduled for adjustment after fiscal year 1997-1998. However, increases in mandated services to case participants and corresponding increases in expenditure claims means that the State must generate the appropriate level of state funds to “earn” the federal share of operating costs.

**31. HMS 237 Food Stamp 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.

(Formerly reported under HMS 702.)

**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, able-bodied 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 1997-1998 |   |   |                      |
|                  | For Federal Mandates  |   | = | For Total Program ID |
| State            | 460,640               | A | = | 460,640 A            |
| Federal          | 814,412               | N | = | 814,412 N            |
| Total            | 1,275,052             |   | = | 1,275,052            |

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

- Mandate: (See HMS 230 relating to Title XIX, Medicaid.)

|                  |                       |   |   |                      |
|------------------|-----------------------|---|---|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |   |   |                      |
|                  | For Federal Mandates  |   | = | For Total Program ID |
| State            | 3,865,865             | A | = | 3,865,865 A          |
| Federal          | 5,325,932             | N | = | 5,325,932 N          |
| Total            | 9,191,797             |   | = | 9,191,797            |

Funding for Medicaid, Title XIX, is provided under HMS 230, HMS 245, and HMS 902.

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

- Mandate 1: Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193, Title I - Block Grants for Temporary Assistance for Needy Families (TANF).

Description: (See Mandate 1 under HMS 236 relating to the Family Support Act of 1988 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.)

Sanctions: (See Mandate 1 under HMS 236 relating to the Family Support Act of 1988 and the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.)

FEDERALLY MANDATED STATE PROGRAMS

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 4,533,063 A           |
| Federal          | 7,777,035 N           |
| Total            | 12,310,098            |

Funding for JOBS and TANF is provided under HMS 236 (mandate 1) and HMS 903 (mandate 1).

- Mandate 2: (See Mandate 2 under HMS 236 relating to the Personal Responsibility and Work Opportunity Reconciliation Act, Food Stamp Act of 1977, et al.)

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 5,135,711 A           |
| Federal          | 10,187,680 N          |
| Total            | 15,323,391            |

Funding for PRWORA et al. is provided under HMS 236 (mandate 2) and HMS 903 (mandate 2).

|                  |  |
|------------------|--|
| Total HMS 903    |  |
| Operating funds: | Fiscal Year 1997-1998                          |
|                  | For Federal Mandates      For Total Program ID |
| State            | 9,668,774 A = 9,668,774 A                      |
| Federal          | 17,964,715 N                                   |
| Adjustment       | (3,450,553)                                    |
| Subtotal         | 14,514,162 N = 14,514,162 N                    |
| Total            | 24,182,936 = 24,182,936                        |

Non-budget funds: 3,450,553 federal funds

**38. HMS 904 General Administration (DSSH)**

- Mandate 1: 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-128, Audits of State and Local Governments

Description: All state agencies that receive \$100,000 or more a year in federal awards are required to have annual financial and compliance audits in accordance with OMB Circular A-128. These audits cover the entire operations of the department.

Sanctions: Federal funding 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.

FEDERALLY MANDATED STATE PROGRAMS

|                 |                       |
|-----------------|-----------------------|
| Operating Funds | Fiscal Year 1997-1998 |
| State           | 157,140 A             |
| Federal         | 133,860 N             |
| Total           | 291,000               |

- Mandate 2:
  - (1) Medicaid (Social Security Act, Title XIX, Public Law 89-97).
  - (2) Temporary Assistance to Needy Families (Personal Responsibility and Work Opportunity Reconciliation Act of 1996, Public Law 104-193).
  - (3) 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, computer programming, 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, fiscal sanctions are placed if the accuracy rates for payments fall below the Federal tolerance level. For the Medicaid program, fiscal sanctions are placed if error rates for program eligibility enrollment are in excess of the 3% tolerance level.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 882,971 A             |
| Federal          | 768,817 N             |
| Total            | 1,651,788             |

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Total HMS 904    | Fiscal Year 1997-1998 |                      |
| Operating funds: | For Federal Mandates  | For Total Program ID |
| State            | 1,040,111             | 6,670,042 A          |
| Federal          | 902,677               | 933,231 N            |
| Total            | 1,942,788             | 7,603,273            |

**39. HMS 901 General Support for Social Services**

- Mandate: (See Mandate 8 under HMS 301 relating to Title IV-B, Subpart 2, Family Preservation and Support Services.)

FEDERALLY MANDATED STATE PROGRAMS

| Operating funds: | Fiscal Year 1997-1998 |                      |
|------------------|-----------------------|----------------------|
|                  | For Federal Mandates  | For Total Program ID |
| State            | 22,494 A              | 1,155,746 A          |
| Federal          | 73,028 N              | 1,225,956 N          |
| Total            | 95,522                | 2,381,702            |

Funding for Title IV-B, Subpart 2, is provided under HMS 301 (mandate 8) and HMS 901.

- > Federal funds are scheduled to increase in fiscal year 1998-1999 by \$85,813. The State is expected to meet match requirements through cash, donated funds, or non-public third party in-kind contributions.

**PROGRAM AREA G: FORMAL EDUCATION**

**Departments with Mandates:** Department of Education (“EDN”), Department of Accounting and General Services (“AGS”), University of Hawaii (“UOH”)

**Programs with Mandates:**

**Lower Education:**

- 1. EDN 100 School-Based Budgeting
- 2. EDN 200 Instructional Support
- 7. AGS 808 Student Transportation

**Higher Education:**

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

**Programs with Former Mandates:** None

**Lower Education Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998**

| Program ID          | A           | B          | N           | T         | U         | W         | Program ID Total |
|---------------------|-------------|------------|-------------|-----------|-----------|-----------|------------------|
| 1. EDN 100          | 78,223,867  | 3,998,439  | 6,500,000   | 0         | 0         | 0         | 88,722,306       |
| 2. EDN 200          | 16,165,411  | 0          | 0           | 0         | 0         | 0         | 16,165,411       |
| 7. AGS 808          | 8,000,000   | 0          | 0           | 0         | 0         | 0         | 8,000,000        |
| Mandate Funds Total | 102,389,278 | 3,998,439  | 6,500,000   | 0         | 0         | 0         | 112,887,717      |
| Area Appropriation  | 783,143,409 | 26,913,749 | 118,404,803 | 2,960,072 | 1,932,939 | 2,740,000 | 936,094,972      |
| Mandate/Area        | 0.13074     | 0.14856    | 0.05490     | 0.00000   | 0.00000   | 0.00000   | 0.12059          |

**Higher Education Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998**

| Program ID          | A           | B          | N         | T | U | W           | Program ID Total |
|---------------------|-------------|------------|-----------|---|---|-------------|------------------|
| 9. UOH 100          | 4,331,833   | 350,000    | 0         | 0 | 0 | 9,320       | 4,691,153        |
| 20. UOH 900         | 619,444     | 0          | 457,667   | 0 | 0 | 0           | 1,077,111        |
| Mandate Funds Total | 4,951,277   | 350,000    | 457,667   | 0 | 0 | 9,320       | 5,768,264        |
| Area Appropriation  | 272,505,714 | 98,539,486 | 9,804,804 | 0 | 0 | 112,136,335 | 492,986,339      |
| Mandate/Area        | 0.01817     | 0.00355    | 0.04668   |   |   | 0.00008     | 0.01170          |

**LOWER EDUCATION**

**Objective:** To assure that all children in prescribed school age groups learn fundamental facts, concepts, and reasoning processes; develop appropriate physical, social, aesthetic, and basic occupational skills; and acquire attitudes and values necessary for successful functioning in society by providing guidance, instruction, training, exposure to learning experiences, and opportunities to mature; and, in addition, to enhance the welfare of the community by offering instruction and other services of benefit to the general public.

**The Programs**

**1. EDN 100 School Based Budgeting**

- **Mandate 1:** Individuals with Disabilities Education Act (IDEA) 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.

**Sanctions:** Loss of federal funds. Litigation.

|                         |                       |
|-------------------------|-----------------------|
| <b>Operating funds:</b> | Fiscal Year 1997-1998 |
| State                   | 71,042,375 A          |
|                         | 3,776,680 B           |
| Federal                 | 6,500,000 N           |
| Total                   | 81,319,055            |

- **Mandate 2:** Civil Rights Act of 1964

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

**Sanctions:** Loss of federal funds. Litigation.

|                         |                       |
|-------------------------|-----------------------|
| <b>Operating funds:</b> | Fiscal Year 1997-1998 |
| State                   | 7,181,492 A           |
|                         | 221,759 B             |
| Federal                 | 0                     |
| Total                   | 7,403,251             |

|                  |  |                       |   |                      |           |
|------------------|--|-----------------------|---|----------------------|-----------|
| Total EDN 100    |  | Fiscal Year 1997-1998 |   |                      |           |
| Operating funds: |  | For Federal Mandates  |   | For Total Program ID |           |
| State            |  | 78,223,867            | A | 570,433,883          | A         |
|                  |  | 3,998,439             | B | 4,505,770            | B         |
|                  |  |                       |   | 5,843,011            | Other MOF |
| Federal          |  | 6,500,000             | N | 81,058,146           | N         |
| Total            |  | 88,722,306            |   | 661,840,810          |           |

**2. EDN 200 Instructional Support**

- **Mandate:** Individuals with Disabilities Education Act (IDEA) and Section 504 of the Rehabilitation Act.
  
- Description:** Requires support of instructional programs through testing, assessment, and evaluation and by providing psychological social work, speech/language and/or diagnostic prescriptive services.
  
- Sanctions:** Litigation

|                  |  |                       |   |                      |           |
|------------------|--|-----------------------|---|----------------------|-----------|
| Operating funds: |  | Fiscal Year 1997-1998 |   |                      |           |
|                  |  | For Federal Mandates  |   | For Total Program ID |           |
| State            |  | 16,165,411            | A | 32,337,397           | A         |
|                  |  |                       |   | 1,590,000            | Other MOF |
| Federal          |  | 0                     |   | 5,676,196            | N         |
| Total            |  | 16,165,411            | A | 39,603,593           |           |

**7. AGS 808 Student Transportation**

- **Mandate:**
  - (1) Rehabilitation Act of 1973, Public Law 93-112, §504, as amended.
  - (2) Education for All Handicapped Children Act of 1975, Public Law 94-142; reauthorized as the Individuals with Disabilities Education Act, Oct. 30, 1990, Public Law 101-476, as amended.
  - (3) Education of the Handicapped Act Amendments of 1986, Public Law 99-457; reauthorized as the Individuals with Disabilities Education Act Amendments of 1991, Public Law 102-119.
  - (4) Americans with Disabilities Act of 1990, Public Law 101-376, as amended by Public Law 102-166, Nov. 21, 1991.
  - (5) *Felix v. Waihee* Consent Decree, Oct. 11, 1994.
  
- Description:** School systems that provide transportation for non-handicapped must also provide transportation for handicapped students. Disabled children must be provided with equal access to public education and educational services must be appropriate to students' individual needs.

FEDERALLY MANDATED STATE PROGRAMS

The *Felix* decree mandates the provision of mental health services for all children and adolescents between birth and twenty years of age, who are eligible for and in need of education and mental health services but for whom programs, services, and placements are either unavailable, inadequate, or inappropriate because of lack of a continuum of services, programs, and placements.

Sanctions: Exposure to civil suits brought by private parties.

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |                      |
|                  | For Federal Mandates  | For Total Program ID |
| State            | 8,000,000 A           | 19,683,345 A         |
| Federal          | 0                     | 0                    |
| Total            | 8,000,000             | 19,683,345           |

**HIGHER EDUCATION**

Objective: To develop eligible individuals to the highest levels of intellectual, personal, and social, and vocational competency commensurate with their abilities and desires; to add to the sum of human knowledge by conducting basic and applied research; and to enhance the welfare of the community by offering instruction and other services of benefit to the general public.

**The Programs**

**9. UOH 100 University of Hawaii, Manoa**

**Organized Research - UOH Manoa**

- Mandate 1:
  - (1) Laboratory Animal Act of 1965, Aug. 24, 1966, Public Law 89-544, as amended in 1985.
  - (2) Health Research Extension Act of 1985, Public Law 99-158.
  
- Description:
  - (1) Requires each animal research facility to appoint an institutional animal committee to review and approve both proposed activities involving the care and use of animals in research, testing, and teaching procedures, and all subsequent, significant changes in ongoing activities. Requires each facility to provide humaneness training to staff and personnel involved with animal care and treatment. Requires each facility to establish a program on adequate veterinary care in enumerated categories pertaining to facilities, personnel and equipment, diagnostic and treatment methodology, procedures for anesthetics, analgesia and euthanasia, and pre- and post-procedural care.

- (2) Each animal research institution that uses animals in projects sponsored by the Public Health Service (PHS) must give acceptable written letters of assurance that it complies with the PHS Policy on Human Care and Use of Laboratory Animals. A letter of assurance must describe the institution's program for the care and use of animals, the institution's status, and the institution's animal care and use committee.

Sanctions: Fines against the institution; suspension or forfeiture of ongoing animal research and teaching at the institution; and possible imprisonment of institution officials.

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 298,817 A             |
|                  | 350,000 B             |
| Federal          | 0                     |
| Total            | 648,817               |

- Mandate 2: Water Resources Research Act of 1984, Public Law 98-242, §104, as amended by Public Law 101-397, Sept. 28, 1990.

Description: Supports the research efforts of land grant colleges at developing newer technologies and more efficient methods to resolve local, state, and national water resources problems. Supports on-the-job research training of water scientists and engineers. Supports the facilitation of water research coordination and the dissemination and application of research results.

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

|                  |                       |
|------------------|-----------------------|
| Operating funds: | Fiscal Year 1997-1998 |
| State            | 208,686 A             |
| Federal          |                       |
| Total            | 208,686               |

Non-budget funds 104,343 federal funds

- Mandate 3: Memorandum of Understanding, dated Sept. 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.

FEDERALLY MANDATED STATE PROGRAMS

Operating funds: Fiscal Year 1997-1998  
 State 110,577 A  
 Federal

Non-budget funds 5,300,000 federal funds

Additional amounts of \$456,000 in state funds were granted to this project by waiver of indirect cost assessments.

- Mandate 4: Unidentified appropriations act, circa 1990.  
 Description: Requires the State to establish and maintain a management staff and basic operations for the Honolulu Pan-Pacific Education and Communication Experiments by Satellite (PEACESAT) terminal at the University of Hawaii at Manoa.

Sanctions: None specified.

Operating funds: Fiscal Year 1997-1998  
 State 85,568 A  
 Federal 0  
 Total 85,568

< Federal funds are expected to be discontinued in 1997-1998 by the federal Department of Commerce. UH has submitted a request of \$498,083 to NASA to finance PEACESAT operations.

- Mandate 5: National Space Grant College and Fellowship Act, Oct. 30, 1987, Public Law 100-147.

Description: Supports educational 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, Leeward Community College, and Windward Community College, and at the public schools. New programs are being considered at Honolulu Community College.

Sanctions: Loss of all federal funds, for failure to achieve the required state match.

Operating funds: Fiscal Year 1997-1998  
 State 170,000 A  
 Federal

Non-budget funds 330,000 federal funds

= Federal funding is expected to continue at the same level.

Only \$93,000 a year in state funds is granted approval in the budget. The shortage in the required amount of state funds is made up from elsewhere within the University. Inability to demonstrate full state support via allocation of the full \$170,000 per annum in state funds is a cause of concern to NASA.

- Mandate 6:
  - (1) McIntire-Stennis Act of 1962, Public Law 87-788, as amended.
  - (2) Food and Agriculture Act of 1977, Sept. 29, 1975, Public Law 95-113, Subtitle E, Animal Health and Disease Research, §1433.
  - (3) Hatch Act of 1887, ch. 314, amended by Act of August 11, 1955, ch. 790, 69 Statutes at Large 671.
  - (4) Hatch Act, Public Law 84-352

Description:

- (1) 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.
- (2) Supports research on animal health and diseases. Not a grant-in-aid.
- (3) Promotes efficiency in the production, market distribution, and utilization of farm products.
- (4) 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: Reductions in total federal appropriations, reapportionment of federal funds to other states.

|                  |                       |   |
|------------------|-----------------------|---|
| Operating funds: | Fiscal Year 1997-1998 |   |
| State            | 1,699,057             | A |
| Federal          |                       | 0 |
| Total            | 1,699,057             |   |
| Non-budget funds | 2,177,457             |   |

= Future Congressional appropriations are expected to be maintained at the fiscal year 1997 level.

- Mandate 7: 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.

FEDERALLY MANDATED STATE PROGRAMS

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

Operating funds: Fiscal Year 1997-1998  
State 30,576 A  
Federal 0

**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 land grant colleges to: (1) assist low-income families at becoming more efficient and effective users of available food and nutrition resources; (2) make available to farmers, homeowners, the pesticide industry, and federal agencies, objective and accurate data for defining and evaluating the benefits and risks of selected pesticides used in agriculture and forestry; (3) disseminate among farmers, homeowners, and agribusinesses useful and practical information agriculture and home economics, and to encourage them to make use of such information; (4) 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; (5) develop interdisciplinary programs for farmers and homeowners on controlling infestation of crop and animal commodities by insects, diseases, weeds, and parasites; and (6) offer comprehensive extension programs on forests and rangelands to farmers and agribusinesses.

Sanctions: Loss of federal funds.

Operating funds: Fiscal Year 1997-1998  
State 961,049 A  
Federal

Non-budget funds 991,057 Congressional appropriations

= Future Congressional appropriations are generally expected to remain at the FY 1997 level.

**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.

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

Operating funds: Fiscal Year 1997-1998  
 State 30,576 A  
 Federal 0

**Student Services - UOH, Manoa**

- Mandate 1: National School Lunch Act, June 4, 1946, ch. 281, 60 Statutes at Large 230, as amended; 42 United States Code §§1758, 1759a, 1762a, 1765, and 1766.

Description: Requires each state educational agency to provide annual staff training on food safety and on Department of Agriculture guidelines. Children’s Center trains parents and student kitchen workers on food handling.

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 1997-1998  
 State 4,200 A  
 Federal

Non-budget funds 22,000 federal funds

- Mandate 2: Veterans' Benefits, Aug. 27, 1958, Public Law 85-782, as amended.

Description: Requires UH Manoa to certify its veterans' enrollments for veterans eligible to receive veterans' benefits. Requires the UH to keep records and report student status changes, in order to prevent benefit overpayments.

Sanctions: Decertification of program. Institutional liability for overpayments.

Operating funds: Fiscal Year 1997-1998  
 State 14,006 A  
 Federal

Non-budget funds 2,472 federal funds

- Mandate 3: (1) Occupational Safety and Health Act of 1970, Public Law 91-596, as amended. 29 Code of Federal Regulations Part 1910, Occupational Safety and Health Standards.  
 (2) Americans with Disabilities Act of 1990, Public Law 101-336.

FEDERALLY MANDATED STATE PROGRAMS

- (3) Clinical Laboratory Improvement Amendment of 1988, Public Law 100-578.
  - (4) Diversion Control Amendments, 1984.
- Description:

  - (1) 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.
  - (2) Requires states to provide facilities and services that ensure equal access to individuals with disabilities. Requires states to upgrade their facilities to make them wheelchair-accessible and equipped with telephones that serve the hearing-impaired.
  - (3) 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 Code of Federal Regulations 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.
  - (4) 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 (DEA) licenses.
- Sanctions:

Fines, possible closure of the Student Health Services Clinic, loss of the Women's Health Clinic's eligibility for Title X funding, license revocation.
- Operating funds:

|                       |         |
|-----------------------|---------|
| Fiscal Year 1997-1998 |         |
| State                 | 9,320 W |
| Federal               | 0       |
- Mandate 4: Immigration and Nationality Act (INA) and the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (IIRAIRA).
- Description:

Accredited institutions enrolling non-immigrant students must comply with admissions criteria, enrollment data keeping, and regulations related to transfers, employment and travel. A new law enacted on September 30, 1996 further directs the Attorney General to collect information relating to non-immigrant foreign students and other exchange program participants (Section 641 of IIRAIRA which is free standing and makes no changes to the INS).

Sanctions: The University of Hawaii 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. The University would not be able to fulfill its mission to Asia and the Pacific.

Operating funds: Fiscal Year 1997-1998  
 State 168,949 A  
 Federal

- Mandate 5: Higher Education Amendments of 1992, Public Law 102-325, Title IV.

Description: None provided.

Sanctions: None

Operating funds: Fiscal Year 1997-1998  
 State 271,797 A  
 Federal

Non-budget funds 1,181,700 federal funds

**Institutional Support - UOH Manoa**

- Mandate 1:
  - (1) Code of Federal Regulations Title 40, Protection of the Environment.
  - (2) 10 Code of Federal Regulations chap. 1, Nuclear Regulatory Commission.
  - (3) 59 FR 34496, 7 Code of Federal Regulations 350.

Description:
 

- (1) Regulates activities involving hazardous wastes, underground storage tanks, asbestos, and toxic substances.
- (2) Regulates the use, storage, and disposal of radioactive materials.
- (3) Regulates the use of recombinant-DNA technology and field testing of genetically modified organisms.

Sanctions: Varies.

Operating funds: Fiscal Year 1997-1998  
 State 277,283 A  
 Federal 0

- Mandate 2: Student Right-to-Know and Campus Security Act, Nov. 8, 1990, Public Law 101-542, Title II.

FEDERALLY MANDATED STATE PROGRAMS

Description: Requires postsecondary institutions to publish and distribute, on an annual basis, to all current University students and employees, and applicants for enrollment and employment, a description of campus safety and security policies and statistics covering specific types of crimes.

Sanctions: Withdrawal of any federal financial aid to the institution.

Operating funds: Fiscal Year 1997-1998  
 State 692  
 Federal

|                  |                       |   |                      |   |
|------------------|-----------------------|---|----------------------|---|
| Total UOH 100    | Fiscal Year 1997-1998 |   |                      |   |
| Operating funds: | For Federal Mandates  |   | For Total Program ID |   |
| State            | 4,331,833             | A | 166,533,340          | A |
|                  | 350,000               | B | 59,109,441           | B |
|                  | 9,320                 | W | 58,287,383           | W |
| Federal          | 0                     | N | 5,411,667            | N |
| Total            | 11,631,668            |   | 289,341,831          |   |
| Non-budget funds | 11,110,286            |   | federal funds        |   |

**20. UOH 900 UOH, System Wide Support**

**Institutional Support - UOH, Systemwide Support**

- Mandate 1: Federal Student Loan Program  
 Description: Requires the institution to enter into a participation agreement with the Secretary of Education in order to participate in the loan program.  
 Sanctions: None.  
 Operating funds: Fiscal Year 1997-1998  
 State 256,000 A  
 Federal  
 Total 256,000  
 Non-budget funds 350,000 Federal funds
  
- Mandate 2: 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, the mandate is carried out by various offices, rather than centrally. Annual drug awareness notices are sent to employees and students.

Sanctions: Loss of federal funding.

Operating funds: Fiscal Year 1997-1998  
 State 325  
 Federal

- Mandate 3: Student Right-to-Know and Campus Security Act, Nov. 8, 1990, Public Law 101-542, as amended.

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

Sanctions: Loss of Title IV funds.

Operating funds: Fiscal Year 1997-1998  
 State 6,000 A  
 Federal

- Mandate 4: Small Business Act, July 30, 1953, ch. 282, Title II, 67 Statutes at Large 232, as amended by Public Law 95-507, Oct. 24, 1978.

Description: Any entity that wishes to perform services for the federal government worth over \$800,000 (or, \$1,000,000, if the services involve construction), under a contract that holds subcontracting potential, must submit a plan aimed at obtaining subcontract work from small and small disadvantaged businesses.

For this mandate, the University has implemented a small and small disadvantaged business utilization program which tries to identify potential subcontractors, keeps records to assess whether goals are being met, and files federal reports.

Sanctions: No federal contracts.

Operating funds: Fiscal Year 1997-1998  
 State  
 Federal

- Mandate 5: Civil Rights Act of 1964, Public Law 88-352, Title VII, as amended by the Equal Employment Opportunity Act of 1972, Public Law 92-261, and the Civil Rights Act of 1991, Public Law 102-166.

FEDERALLY MANDATED STATE PROGRAMS

- Description: Prohibits employers from engaging in employment discrimination, over matters such as hirings, terminations, upgrades, and other terms, conditions and privileges of employment, on the basis of race, color, religion, national origin, or sex.
- Sanctions: Debarment of all federal funds to the University of Hawaii.
- Mandate 6: Equal Pay Act of 1963, Public Law 88-38, as amended.
- Description: Prohibits employers from engaging in employment discrimination, on the basis of sex, over matters pertaining to compensation, such as wage rates, overtime pay, sick and vacation pay, and fringe benefits such as insurance coverage, pension and retirement benefits, profit sharing, bonus plans and credit union memberships.
- Sanctions: Debarment of all federal funds to the University of Hawaii.
- Mandate 7: Age Discrimination in Employment Act of 1967, Public Law 90-202, as amended.
- Description: Prohibits employers from engaging in employment discrimination against individuals forty years of age and older, over matters pertaining to hirings, terminations, upgrades, salaries, benefits, training, and other terms, conditions, and privileges of employment.
- Sanctions: Debarment of all federal funds to the University of Hawaii.
- Mandate 8: Americans with Disabilities Act of 1990, Public Law 101-336.
- Description: Prohibits employers from engaging in employment discrimination against disabled individuals, over matters such as hirings, terminations, upgrades, salaries, benefits, training, and other terms, conditions, and privileges of employment.
- Sanctions: Debarment of all federal funds to the University of Hawaii.
- Mandate 9: Executive Order No. 11246, Sept. 28, 1965, 30 Federal Register 12319, Equal Employment Opportunity, as amended by Executive Order No. 11375, Oct. 17, 1967, 32 Federal Register 14303, and Executive Order No. 12086, Oct. 5, 1978, 43 Federal Register 46501.
- Description: Requires, as a corollary to Title VII of the Civil Rights Act of 1964, that certain groups of employers take affirmative action to ensure that all employment decisions are made in a non-discriminatory manner. Covered under the order are contractors and subcontractors performing under government contracts worth over \$10,000 in a year, entities with government

- that bills of lading in any amount, federal depositories, and agents issue and pay U.S. Savings Bonds and Notes.
- Sanctions: Debarment of all federal funds to the University of Hawaii.
  - Mandate 10: Rehabilitation Act of 1973, Public Law 93-112, Section 503.  
Description: Prohibits employers from engaging in employment discrimination against otherwise qualified persons with disabilities, and from failing to make reasonable accommodations for them.  
Sanctions: Debarment of all federal funds to the University of Hawaii.
  - Mandate 11: Vietnam Era Veterans' Readjustment Assistance Act of 1974, Public Law 93-508, Section 402  
Description: Prohibits employers from engaging in employment discrimination against qualified special disabled veterans, with a 30% or greater VA disability rating, or a discharge granted for a service-connected disability; and against veterans of the Vietnam era.  
Sanctions: Debarment of all federal funds to the University of Hawaii.
  - Mandate 12: Civil Rights Act of 1964, Public Law 88-352, Title VI.  
Description: Prohibits discrimination on the basis of race, color, or national origin.  
Sanctions: Debarment of all federal funds to the University of Hawaii.
  - Mandate 13: Education Amendments of 1972, Public Law 92-318, Title IX.  
Description: Prohibits discrimination against students and employees on the basis of sex.  
Sanctions: Debarment of all federal funds to the University of Hawaii.
  - Mandate 14: Rehabilitation Act of 1973, Public Law 93-112, Section 504.  
Description: Prohibits discrimination on the basis of disability.  
Sanctions: Debarment of all federal funds to the University of Hawaii.
  - Mandate 15: Age Discrimination Act of 1975, Public Law 94-135, Title III.  
Description: Prohibits discrimination on the basis of age, in services provided for housing, admissions, financial aid, counseling, etc.

FEDERALLY MANDATED STATE PROGRAMS

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

- Mandate 16: Immigration Reform and Control Act of 1986, Public Law 99-603, as amended.

Description: Prohibits employers from engaging in employment discrimination, on the basis of citizenship status or national origin, over matters such as hirings, terminations, upgrades, salaries, benefits, training, and other terms, conditions, and privileges of employment. Requires employers to maintain certain records pertaining to the citizenship status of new employees.

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

**Vocational Education, Statewide Coordination**

- Mandate: Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, Public Law 101-392.

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 State Department of Education and the University of Hawaii Community Colleges have come to rely on the federal funds for vocational 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 1997-1998 |
| State            | 356,619 A             |
| Federal          | 457,667 N             |
| Total            | 814,286               |

|                  |                       |               |                      |  |
|------------------|-----------------------|---------------|----------------------|--|
| Total UOH 900    | Fiscal Year 1997-1998 |               |                      |  |
| Operating funds: | For Federal Mandates  |               | For Total Program ID |  |
| State            | 619,444 A             |               | 24,649,657 A         |  |
| Federal          | 457,667 N             |               | 42,571,939 Other MOF |  |
| Total            | 1,427,111             |               | 457,667 N            |  |
| Non-budget funds | 350,000               | federal funds | 67,679,263           |  |

**PROGRAM AREA H: CULTURE AND RECREATION**

**Objective:** To enrich the lives of people of all ages by providing and preserving opportunities and facilities for cultural and recreational activities.

**Departments with Mandates:** None

**Programs with Mandates:** None

**Programs with Former Mandates:** None

**PROGRAM AREA I: PUBLIC SAFETY**

**Objective:** To protect the individual and property from injury and loss caused by criminal actions, accidents, physical hazards and natural and man-made disasters.

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

No response: Department of Public Safety (“PSD”)

**Programs with Mandates:**

- 19. ATG 231 State Criminal Justice Information and Identification
- 20. LNR 810 Prevention of Natural Disasters
- 21. DEF 110 Amelioration of Physical Disasters

**Programs with Former Mandates:** None

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998**

| Program ID          | A           | B | N         | T       | U         | W          | Program ID Total |
|---------------------|-------------|---|-----------|---------|-----------|------------|------------------|
| 19. ATG 231         | 0           | 0 | 0         | 0       | 0         | 0          | 0                |
| 20. LNR 810         | 15,000      | 0 | 40,000    | 0       | 0         | 0          | 55,000           |
| 21. DEF 110         | 3,020,381   | 0 | 6,042,969 | 0       | 0         | 0          | 9,063,350        |
| Mandate Funds Total | 3,035,381   | 0 | 6,082,969 | 0       | 0         | 0          | 9,118,350        |
| Area Appropriation  | 122,584,898 | 0 | 8,112,859 | 25,065  | 1,318,908 | 11,936,213 | 144,807,923      |
| Mandate/Area        | 0.02476     |   | 0.74979   | 0.00000 | 0.00000   | 0.00000    | 0.06297          |

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**The Programs**

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

- Mandate 1: Crime Control Act of 1990, Public Law 101-647, as amended.
- Description: Requires states, when requested by federal agencies or facilities, to conduct local criminal history background checks on individuals hired or contracted by the federal government to provide child care services, at federal facilities and agencies, to children under eighteen years of age.

- Sanctions: Exposure to litigation.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 2: The Housing Opportunity Program Extension Act of 1996, Public Law 104-120.
- Description: Requires states to provide information to public housing agencies regarding the criminal conviction records of adult applicants for, or tenants of, public housing for purposes of applicant screening, lease enforcement, and eviction. The law also provides that a public housing agency may be charged a reasonable fee for the subject information.
- Sanctions: Exposure to litigation.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 3: Brady Handgun Violence Prevention Act, Nov. 23, 1993, Public Law 103-159.
- Description: Establishes a waiting period for handgun purchases during which background checks are completed on the prospective buyer. Establishes a National Instant Check System (NICS). Requires the State to achieve a minimum of 80% disposition reporting for the last five years, in its computerized criminal history files. Requires the State to be an Interstate Identification Index (III) participant by 1999.
- Sanctions: Exposure to litigation.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 4: National Child Protection Act of 1993, Public Law 103-209
- Description: Requires state criminal justice agencies to report felony and serious misdemeanor child abuse information to the Federal Bureau of Investigation's criminal record system. Requires states to achieve at least an 80% completion rate of final dispositions for the last five years, in its computerized criminal history file, and to take steps to achieve 100% reporting no later than December 1998.
- Sanctions: A 10% reduction in the State's funding under the non-mandatory Edward Byrne Memorial State and Local Law Enforcement Assistance Grant program, established under Section 506 of the Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, as amended.
- Operating funds: Fiscal Year 1997-1998 unquantifiable

FEDERALLY MANDATED STATE PROGRAMS

- **Mandate 5:** Jacob Wetterling Crimes Against Children and Sexually Violent Offender Registration Act, as amended by Megan’s Law (Public Law 104-145).
  - Description:** Requires states to establish sex offender registration programs pursuant to guidelines published by the federal Department of Justice in the Federal Register (61 FR 15110) and requires public notification of sex offender registration information.
  - Sanctions:** 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 1997-1998
    - State
    - Federal
  - Non-budget funds:300,000      State funds, appropriated under Act 316, Session Laws of Hawaii 1997, relating to crime.
- 
- |                        |  |                              |                             |
|------------------------|--|------------------------------|-----------------------------|
| <b>Total ATG 231</b>   |  | <b>Fiscal Year 1997-1998</b> |                             |
| <b>Operating funds</b> |  | <b>For Federal Mandates</b>  | <b>For Total Program ID</b> |
| State                  |  |                              | 1,611,678    A              |
|                        |  |                              | 627,522    W                |
| Federal                |  |                              | 2,000,000    N              |
| <b>Total</b>           |  |                              | <b>4,239,200</b>            |
- 
- Non-budget funds:300,000      State funds

**20. LNR 810 Prevention of Natural Disasters**

- **Mandate:** National Flood Insurance Act of 1968, Public Law 90-448.
- Description:** Enables property owners to purchase insurance protection against losses from flooding. Participation in the National Flood Insurance Program (“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 special flood hazard areas, the federal government will make flood insurance available within the community as financial protection against flood losses which do occur. The State’s role is to administer the NFIP 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 1997-1998 |   |                      |   |
|                  | For Federal Mandate   |   | For Total Program ID |   |
| State            | 15,000                | A | 190,174              | A |
| Federal          | 40,000                | N | 40,000               | N |
| Total            | 60,000                |   | 230,174              |   |

Non-budget item: 5,000 federal funds

**21. DEF 110 Amelioration of Physical Disasters**

- Mandate 1: 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 controls. The National Defense Act of 1920 is regarded as the enabling legislation which brought the militias of the several states more fully into the federal military reserve system without undermining their state status. 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.

|                  |                       |   |  |  |
|------------------|-----------------------|---|--|--|
| Operating funds: | Fiscal Year 1997-1998 |   |  |  |
| State            | 2,123,719             | A |  |  |
| Federal          | 6,381,600             | N |  |  |
| Total            | 8,505,319             |   |  |  |

A portion of the federal funds represents amounts authorized by the Governor that exceed the amounts appropriated in the budget act.

The federal government retains direct control over 90% of the costs related to the National Guard. However, there are some operating and capital improvement costs which the federal government shares with the State. These include various types of

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maintenance support service contracts and military construction projects all of which take place on state-owned property.

- **Mandate 2:** State Civil Defense  
Federal Civil Defense Act of 1950, Jan. 12, 1951, ch. 1228, 64 Statutes at Large 1245, as amended.
  
- Description:** States receive full, or on a cost share basis, federal support to manage, plan, train, and exercise civil defense systems which are designed and operated in accordance with federal standards.  
  
The original purpose of the Act was to support nuclear attack defense planning and preparedness. Over the years the Act has evolved to include preparation of responses to other disasters and emergencies brought on by natural or technological causes.
  
- Sanctions:** Loss of federal funds and a consequently greater reliance on state fiscal resources; a weakening of the civil defense infrastructures, and a lower level of system readiness in responding to disasters. Civil defense infrastructure maintenance, hazard mitigation evaluations, hazardous materials training, and evacuation shelter surveys, etc. are integral to the State's civil defense system: they would be critically impaired.
  
- Operating funds:** Fiscal Year 1997-1998
 

|         |           |   |
|---------|-----------|---|
| State   | 896,662   | A |
| Federal | 1,056,658 | N |
| Total   | 1,953,320 |   |

A portion of the federal funds represents amounts authorized by the Governor that exceed the amounts appropriated in the budget act.

Total DEF 110

| Operating funds: | Fiscal Year 1997-1998 |                      |
|------------------|-----------------------|----------------------|
|                  | For Federal Mandates  | For Total Program ID |
| State            | 3,020,381             | 6,926,170            |
| Federal          | 7,438,258             | A                    |
| Adjustment       | (1,395,289)           | N                    |
| Subtotal         | 6,042,969             | N                    |
| Total            | 9,063,350             | 12,969,139           |

Non-budget item: 1,395,289 federal funds

**PROGRAM AREA J: INDIVIDUAL RIGHTS**

**Objective:** To ensure that the individual is provided with services and products meeting acceptable standards of quality, dependability and safety; given equitable and responsive treatment by public agencies; and afforded equal protection of legal and civil rights and interests.

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

**Programs with Mandates:**

- 4. CCA 105 Professional, Vocational & Personal Services
- 5. BUF 901 Transportation, Communications, & Utilities
- 7. CCA 110 Office of Consumer Protection--Unfair/Deceptive Practices
- 8. AGR 812 Measurement Standards
- 9. CCA 111 Business Registration

**Programs with Former Mandates:** None

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998**

| Program ID          | A          | B          | N | T         | U         | W         | Program ID Total |
|---------------------|------------|------------|---|-----------|-----------|-----------|------------------|
| 4. CCA 105          | 0          | 72,000     | 0 | 0         | 0         | 0         | 72,000           |
| 7. CCA 110          | 0          | 0          | 0 | 0         | 0         | 0         | 0                |
| 8. AGR 812          | 113,500    | 0          | 0 | 0         | 0         | 0         | 113,500          |
| Mandate Funds Total | 113,500    | 72,000     | 0 | 0         | 0         | 0         | 185,500          |
| Area Appropriation  | 13,271,136 | 23,566,999 | 0 | 1,952,852 | 2,577,367 | 4,153,373 | 46,243,947       |
| Mandate/Area        | 0.00855    | 0.00306    |   | 0.00000   | 0.00000   | 0.00000   | 0.00401          |

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

- **Mandate:**
  - (1) 42 United States Code §§1395i-3 and 1396R
  - (2) 12 United States Code §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 performing work involving federally related transactions.

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

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |                      |
|                  | For Federal Mandates  | For Total Program ID |
| State            | 72,000 B              | 4,066,098 B          |
| Federal          | 0                     | 1,806,653 Other MOF  |
| Total            | 72,000                | 5,872,751            |

**5. BUF 901 Transportation, Communications, & Utilities**

- **Mandate:** Telecommunication Act of 1996, Public Law 104-104, 110 Statutes at Large 56.
  - Description:** A direct mandate that requires the State Public Utilities Commission (PUC) to arbitrate interconnection between the incumbent local exchange carrier and competitors.
  - Sanctions:** Failure to act by the State PUC will cause jurisdiction to be assumed by the Federal Communications Commission.
  - Operating funds:** Fiscal Year 1997-1998 unquantifiable
- Indirect costs are incurred by the State Attorney General when defending the commissioners in federal court.

**7. CCA 110 Office of Consumer Protection**

- Mandates:**
- (1) Cooling off rule, 16 CFR 429.
  - (2) Mail or Telephone Merchandise, 16 CFR 435.
  - (3) Credit Practices Rule, 16 CFR 444.
  - (4) Funeral Industry Practices, 16 CFR 453.
  - (5) Used Motor Vehicle Trade Regulation Rule, 16 CFR 455.
  - (6) Magnuson Moss Warranty Act, Public Law 93-637, 15 USC 2301.
  - (7) Truth in Lending Act, 15 USC 1601 et seq.; Regulation Z, 12 CFR 226.
  - (8) Consumer Leasing Act, PL 104-208, 110 Stat. 3000, §2605 (9/30/96); 12 CFR 213 (effective 10/31/96).
  - (9) Fair Credit Billing Act, 15 USC 1666.
  - (11) Fair Credit Reporting Act.
  - (12) Fair Debt Collection Practices Act, 15 USC 1692o.
  - (13) Electronic Fund Transfer Act, 15 USC 1693.
  - (14) Telemarketing and Consumer Fraud and Abuse Protection Act, 15 USC 6103.
  - (15) Home Ownership and Equity Protection Act of 1994.

Description: Partial preemption mandates. Generally, no preemption if minimum standards are met. State laws mirror federal legislation.

Sanctions: Preemption would be a defense to any action brought by the State against a respondent, and would bar any lawsuit.

Operating funds: Fiscal Year 1997-1998 unquantifiable

**8. AGR 812 Measurement Standards**

- Mandate 1: 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 §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. However, regulatory activities are conducted under the requirements of state statutes.

Sanctions: None.

Operating funds: Fiscal Year 1997-1998  
 State 1,500 A  
 Federal 0

- Mandate 2: (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.

The requirements are contained in state statutes. The department of agriculture assists the federal meat inspection program in testing scales and checking net content.

Sanctions: None.

Operating funds: Fiscal Year 1997-1998  
 State 4,000 A  
 Federal 0

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- **Mandate 3:** Fair Packaging and Labeling Act, Nov. 3, 1966, Public Law 89-755; 15 United States Code §1451. 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.
- The programs are enforced pursuant to existing state statutes. The state measurement standards program has adopted the procedures and standards developed by the National Institute of Standards and Technology which establishes uniformity throughout the nation for the enforcement of packaging and labeling requirements.
- Sanctions:** None.
- Operating funds:** Fiscal Year 1997-1998
- |         |         |   |
|---------|---------|---|
| State   | 108,000 | A |
| Federal | 0       |   |
- Total AGR 812 Operating funds** Fiscal Year 1997-1998
- |              | For All Federal Mandates |   | For Total Program ID |
|--------------|--------------------------|---|----------------------|
| State        | 113,500                  | A | 801,395              |
| Federal      | 0                        |   | 0                    |
| <b>Total</b> | <b>113,500</b>           |   | <b>801,395</b>       |

**9. CCA 111 Business Registration**

- **Mandate:** National Securities Market Improvement Act of 1996.
- Description:** Mandates exclusive jurisdiction to the states over the regulation of smaller investment advisors under limited circumstances. Preempts the states from other areas of securities regulation.
- Sanctions:** None.
- Operating funds:** Fiscal Year 1997-1998 unquantifiable

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

**Objective:** To enhance the effectiveness and efficiency of state programs by providing executive direction, program coordination, and policy development as well as a wide variety of services supporting the work of the state government as a whole or common to all or most programs.

**Departments with Mandates:** Office of the Lieutenant Governor (“LTG”), Department of Budget and Finance (“BUF”), Department of Accounting and General Services (“AGS”), Department of the Attorney General (“ATG”), Department of Human Resources Development (“HRD”)

**Programs with Mandates:**

- 6. BUF 101 Program Planning, Analysis and Budgeting
- 7. LTG 101 Campaign Spending Commission
- 8. LTG 102 Office of Elections
- 17. BUF 115 Financial Administration
- 18. ATG 100 Legal Services
- 23. HRD 102 Work Force Attraction, Selection, Classification & Effectiveness
- 26. BUF 142 Health and Life Insurance Benefits
- 40. AGS 901 General Administrative Services

**Programs with Former Mandates:** None

**Summary of Operating Funds Under the Budget Act for Federally Mandated Programs During Fiscal Year 1997-1998:**

| Program ID          | A             | B         | N         | T           | U          | W          | Program ID Total |
|---------------------|---------------|-----------|-----------|-------------|------------|------------|------------------|
| 6. BUF 101          | 76,250        | 0         | 0         | 0           | 0          | 0          | 76,250           |
| 8. LTG 102          | 130,444       | 0         | 0         | 0           | 0          | 0          | 130,444          |
| 17. BUF 115         | 325,000       | 0         | 0         | 0           | 0          | 0          | 325,000          |
| 18. ATG 100         | 0             | 280,229   | 846,309   | 0           | 0          | 0          | 1,126,538        |
| 26. BUF 142         | 1,430         | 0         | 0         | 0           | 0          | 0          | 1,430            |
| 40. AGS 901         | 69,106        | 0         | 0         | 0           | 0          | 0          | 69,106           |
| Mandate Funds Total | 602,230       | 280,229   | 846,309   | 0           | 0          | 0          | 1,728,768        |
| Area Appropriation  | 1,006,322,810 | 7,002,927 | 7,185,603 | 375,116,000 | 18,711,629 | 30,981,343 | 1,452,516,199    |
| Mandate/Area        | 0.00060       | 0.04002   | 0.11778   | 0.00000     | 0.00000    | 0.00000    | 0.00119          |

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6. BUF 101 Program Planning, Analysis and Budgeting

- Mandate: Statewide Cost Allocation Plan, OMB Circular A-87. (formerly reported under BUF 115)
- Description: A direct mandate that requires states to prepare and submit for federal review, annual statewide cost allocation plans that abide by federal accounting requirements, in order to recover certain costs expended by them on behalf of federal grants, contracts, and programs.
- Sanctions: Loss to the State of approximately \$8 million.

|                  |                       |                      |
|------------------|-----------------------|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |                      |
|                  | For Federal Mandates  | For Total Program ID |
| State            | 76,250 A              | 212,195,369 A        |
| Federal          | 0                     | 0                    |
| Total            | 76,250                | 212,195,369          |

7. LTG 101 Campaign Spending Commission

- Mandate: Federal Election Campaign Act, 2 United States Code §439. Code of Federal Regulations, Title 11, Federal Elections, Chapter 1, Part 108.
- Description: Requires Campaign Spending Commission office to:
  - (1) Receive and maintain reports by federal candidates and political action committees;
  - (2) Preserve reports for 2 years;
  - (3) Make reports available to the public including duplicating reports for anyone; and
  - (4) Compile and maintain a list of all reports pertaining to each candidate.

Requires approximately 4 person days per month, file and office space. Reports from federal candidates and political action committees are treated in a manner similar to state and local candidates. The service allows the public in Hawaii to access information of a political candidate and political action committees in Hawaii.

- Sanctions: Fines, not to exceed \$25,000 for noncompliance.
- Operating funds: Fiscal Year 1997-1998 unquantifiable



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- Operating funds: Fiscal Year 1997-1998  
State 1,000 A  
Federal
- Mandate 3: Uniformed and Overseas Citizens Absentee Voting Act, Aug. 28, 1986, Public Law 99-410.
- Description: A state must permit members of the uniformed services and merchant marine, their spouses and dependents, and civilian U.S. citizens residing abroad, to register and vote absentee, for all federal elections.
- Sanctions: Fines or five years imprisonment, or both.
- Operating funds: Fiscal Year 1997-1998  
State 1,000 A  
Federal
- Mandate 4: National Voter Registration Act of 1993, Public Law 103-31.
- Description: States must establish procedures to increase the number of eligible citizens registering to vote in federal elections, and ensure the accuracy and currency of voter registration rolls.
- Sanctions: Declaratory or injunctive relief. Attorney's fees. Fines, maximum five years' imprisonment, or both.
- Operating funds: Fiscal Year 1997-1998  
State 45,500 A  
Federal
- Mandate 5: Civil Rights Act of 1960, Public Law 86-449; 42 United States Code 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 voters or absentee ballots, all tally sheet and canvass 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

retention where a marking a electronically. In addition, the Department of Justice construes the phrase "other act requisite to voting" as requiring the of the ballots themselves, at least in those jurisdictions voter's electoral preference is manifested by the voter's 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 election documentation.

Operating funds: Fiscal Year 1997-1998  
 State 60,616 A  
 Federal

Total LTG 102  
 Operating funds: Fiscal Year 1997-1998  

|         |                      |  |                      |
|---------|----------------------|--|----------------------|
|         | For Federal Mandates |  | For Total Program ID |
| State   | 130,444 A            |  | 2,494,052 A          |
| Federal | 0                    |  |                      |
| Total   | 130,444              |  | 2,494,052            |

Non-budget funds 22,828 State funds

**17. BUF 115 Financial Administration**

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

Description: A direct mandate that 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.

Operating funds: Fiscal Year 1997-1998  

|         |                     |  |                      |
|---------|---------------------|--|----------------------|
|         | For Federal Mandate |  | For Total Program ID |
| State   | 325,000 A           |  | 398,253,895 A        |
| Federal | 0                   |  | 5,525 U              |
| Total   | 325,000             |  | 398,259,420          |

0 N

**18. ATG 100 Legal Services**

- Mandate: Medicaid Fraud Control, 42 Code of Federal Regulations §455 et seq. and §1002 et seq. Recent amendments in the Omnibus Budget Reconciliation Act of 1993 and 42 United States Code §1396(a).

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Description: Requires that any state that receives Medicaid funds must establish a Medicaid fraud control unit within a department other than the department that regulates public assistance. The division is mandated to investigate and prosecute cases of health care fraud and patient abuse in the Medicaid program. The grant is a categorical, matching grant.

Sanctions: Loss of federal Medicaid funds. Federal funding makes up fifty percent of the funding.

|                  |                       |  |   |                      |
|------------------|-----------------------|--|---|----------------------|
| Operating funds: | Fiscal Year 1997-1998 |  |   |                      |
|                  | For Federal Mandate   |  | = | For Total Program ID |
| State            | 280,229 B             |  |   | 280,229 B            |
|                  |                       |  |   | 28,960,229 Other MOF |
| Federal          | 846,309 N             |  |   | 7,065,603 N          |
| Total            | 1,126,538             |  |   | 36,306,061           |

**23. HRD 102 Work Force Attraction, Selection, Classification & Effectiveness**

- Mandate 1:
  - (1) Fair Labor Standards Act of 1938, June 25, 1938, ch. 676, 52 Statutes at Large 1060, as amended.
  - (2) Family and Medical Leave Act of 1993, Public Law 103-3.

Description: Establishes minimum requirements for employers, including departments and agencies of the states, on matters relating to wages, hours, and working conditions. As the central personnel agency, PER provides the other departments and agencies of the State with guidelines, training, and advice and consultation regarding uniform compliance with these Acts.

Sanctions: Penalties and lawsuits, for noncompliance.

Operating funds: Fiscal Year 1997-1998 unquantifiable

- Mandate 2: Omnibus Transportation Employee Testing Act of 1991, Public Law 102-143, Title V. 49 Code of Federal Regulations Part 40.

Description: Requires federal, state, and local governments, as employers, to conduct alcohol and drug testing of safety-sensitive employees in the aviation, motor carrier, railroad and mass transit industries. Administrative rules under the Act require motor carriers to conduct pre-employment, reasonable suspicion, random, return to duty and follow up tests to be implemented and conducted by large-size employers, beginning January 1, 1995, and by small-size employers, beginning January 1, 1996. Large-size employers are those with fifty or more safety-sensitive employees. There are rules for rehabilitation programs that provide for the opportunity for treatment of operators of commercial motor vehicles who are determined to have used alcohol or drugs illegally.

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- Sanctions: Fines, for noncompliance. Examples: (1) \$1,000 per trip of a commercial motor vehicle driven by an untested driver, for the failure to conduct a pre-employment test; (2) \$10,000 to \$250,000 per driver, for the failure to conduct random testing. 49 USC §521B.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 3: Clean Air Act Amendments of 1990, Public Law 101-549, §608, as amended. 58 Federal Register 28660, May 14, 1993.
- Description: Requires states to establish mandatory technician certification programs for state and county employees who work on air conditioning and refrigeration equipment. For certification, technicians are required to pass an EPA-approved test, given by an EPA-approved certifying organization.
- Sanctions: Fines of up to \$25,000 per day, for violation of the regulations.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 4: Drug-Free Workplace Act of 1988, Public Law 100-690, Title V, Subtitle D, 41 United States Code §701 et seq.
- Description: Requires recipients of federal contracts of \$25,000 or more and recipients of any federal grants to certify that they will provide a drug-free workplace by complying with requirements such as: (1) publishing and distributing a statement notifying employees that the unlawful use, manufacture, sale or possession of drugs in the workplace is prohibited; (2) establishing an ongoing drug-free awareness program; and (3) imposing a sanction or requiring completion of a drug assistance program by an employee convicted of a criminal drug statute violation that occurred in the workplace.
- Sanctions: Suspension or termination of grants, or debarment.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 5: Immigration Reform and Control Act of 1986, Public Law 99-603. Immigration Act of 1990, Public Law 101-649, 8 United States Code §§1101 and 1324
- Description: Requires employers to use the Form I-9 to verify the identity and employment eligibility of workers hired after November 6, 1986. Establishes requirements for recordkeeping and prohibits certain discriminatory immigration related employment practices.

As the central personnel agency, HRD has provided other departments and agencies with training, guidelines and consultation on uniform compliance with these acts.

Sanctions: Civil and criminal penalties for unlawful employment. Injunctions against unlawful discrimination.

Operating funds: Fiscal Year 1997-1998 unquantifiable

- Mandate 6: Gun Control Act of 1968, as amended, 18 United States Code §922 (g)(9).

Description: Prohibits individuals who have been convicted of a misdemeanor or felony crime of domestic violence from possessing a firearm or ammunition.

Agencies with positions requiring the use or handling of a firearm and ammunition must identify affected individuals who are prohibited from possessing or handling a firearm, due to a disqualifying criminal conviction. HRD is coordinating the efforts of the Conference of Personnel Directors, to develop policy guidelines for the implementation of this statute.

Sanctions: Fines, imprisonment for the individual.

Operating funds: Fiscal Year 1997-1998 unquantifiable

HRD 102 Note: Each department and agency affected by any of the mandate assumes the cost of its own compliance efforts.

**26. BUF 142 Health and Life Insurance Benefits**

- Mandate 1: Consolidated Omnibus Budget Reconciliation Act of 1985, as amended (COBRA), Public Law 99-272.

Description: A direct mandate that contains provisions giving certain former employees, retirees, spouses, and dependent children the right to temporary continuation of health insurance coverage at group rates.

Sanctions: Excise tax of \$100 per day per qualified beneficiary for the duration of the noncompliance period, with a maximum of \$200 per day per family, regardless of the number of qualified beneficiaries affected by the violation.

Operating funds: Fiscal Year 1997-1998  
 State 1,430 A  
 Federal 0

- **Mandate 2:** Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191, amending Title I of the Employee Retirement Income Security Act of 1974, the Internal Revenue Code, and the Public Health Service Act.

**Description:** A direct mandate that sets compliance requirements on employer-sponsored group health plans, insurance companies and health maintenance organizations. The Act limits pre-existing condition exclusions (“portability”), outlaws most barriers to coverage based on health status (“nondiscrimination”), prohibits health plans from canceling an individual’s coverage because of health problems or claims history (“guaranteed issue”), sets standards for insurance companies and health maintenance organizations in both group and individual markets, and enlists the states and the U.S. Departments of Health and Human Services, Labor, and Treasury in the enforcement effort.

**Sanctions:** Section 4980D of the Internal Revenue Code imposes excise taxes for violation of the HIPAA rules, modeled after the tax penalties for COBRA violations. Generally, a \$100/day penalty for each day that the violation persists, unless it was inadvertent and is corrected promptly after the plan administrator learns of it. The tax is imposed on the employer sponsoring a single-employer plan, and on the plan in the case of a multiemployer plan.

**Operating funds:** Fiscal Year 1997-1998 unquantifiable
- **Mandate 3:** Newborns and Mothers Health Protection Act of 1996 (“The Motherhood Act”), Title VI of the Departments of Veterans Affairs and Housing and Urban Development FY 1997 Appropriations (DVA-HUD) Act, Public Law 104-204.

**Description:** A direct mandate that requires that health plans must cover a mother and infant for up to 48 hours of hospitalization after a normal delivery and up to 96 hours after a cesarean section without authorization from the plan.

**Operating funds:** Fiscal Year 1997-1998 unquantifiable

The mandate may result in additional costs to the State if compliance results in increased premiums. However, the amounts cannot be determined at this time.
- **Mandate 4:** Mental Health Parity Act of 1996, Title VII of the DVA-HUD Act.

**Description:** A direct mandate that forbids health plans that provide coverage for mental illnesses from imposing lower annual or lifetime dollar maximums on reimbursement for mental health treatment than are imposed for the treatment of physical problems.

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- Operating funds: Fiscal Year 1997-1998 unquantifiable
- The mandate may result in additional costs to the State if compliance results in increased premiums. However, the amounts cannot be determined at this time.
- Mandate 5: Federal and Medical Leave Act of 1993 (FMLA), Public Law 103-3.
- Description: A direct mandate that requires covered employers to provide up to 12 weeks of unpaid, job-protected leave to “eligible” employees for certain family and medical reasons. Employees are eligible if they have worked for a covered employer for at least one year, and for 1,250 hours over the previous 12 months, and if there are at least 50 employees within 75 miles.
- Sanctions: Private action by aggrieved employee. Prevailing employee entitled to payment of lost wages or salary and benefits, plus interest; additional liquidated damages (equal to lost wages plus interest), unless employer proves it acted in good faith; and attorney’s fees and expert witness fees.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 6: Qualified Medical Child Support Order (QMCSO), Public Law 103-66 (OBRA ’93).
- Description: A direct mandate that requires group health plans to provide benefits according to QMCSO requirements. QMCSOs are judgments, decrees, or court orders that create or recognize a child’s right to receive benefits under a group health plan. OBRA ’93 requires that each group health plan establish reasonable procedures to determine whether medical child support orders are qualified. It also requires group health plans to administer benefits under QMCSOs. Procedures for meeting these requirements must exist in written form and provide for notification to each person eligible for benefits under the plan and allowing of a child to designate a representative to receive notices.
- Sanctions: None.
- Operating funds: Fiscal Year 1997-1998 unquantifiable
- Mandate 7: Uniformed Services Employment and Reemployment Rights Act of 1994.
- Description: A direct mandate that gives employees the right to continue health care benefits, even if they would be eligible for military benefits. An individual on leave less than 31 days can only be required to pay the same amount as an active employee. Employees on

plan's longer leaves can continue coverage for 18 months from the date leave begins and can be required to pay 102 per cent of the cost. For employers subject to COBRA, the requirements for employees on leaves of more than 30 days appear to be the same.

Sanctions: None.

Operating funds: Fiscal Year 1997-1998 unquantifiable

- Mandate 8: HMO Act of 1973, as amended in 1988.

Description: A direct mandate that establishes standards for federally qualified HMOs and requires employers to make HMOs available to their employees under certain circumstances (the "dual choice" requirement). The 1988 amendments eliminate the dual choice requirement; revise employer contribution requirements; permit rates to be set on the basis of employer experience; impose stricter financial requirements for federal qualification; and permit greater flexibility in benefits offerings.

Sanctions: None.

Operating funds: Fiscal Year 1997-1998 unquantifiable

Total BUF 142

Operating funds:

|         | Fiscal Year 1997-1998 |                       |
|---------|-----------------------|-----------------------|
|         | For Federal Mandates  | For Total Program ID  |
| State   | 1,430 A               | 616,416 A             |
| Federal | 0 N                   | 371,598,000 Other MOF |
| Total   | 1,430                 | 372,214,416           |

**40. AGS 901 General Administrative Services**

- Mandate 1: Age Discrimination in Employment Act of 1967.

Description: Prohibits discrimination against persons forty years of age and over in the hiring, promotion, discharge, compensation, terms, conditions and privileges of employment, or in the classifying, limiting, or segregating of employees or job applicants. Prohibits employers from printing or publishing discriminatory advertisements or from retaliating against any individual for opposing a discriminatory practice or for filing a charge or participating in an equal employment opportunity complaint.

Sanctions: Monetary damages, such as back pay, front pay, liquidated damages for a wilful violation, interest, court costs, attorneys' fees. Reinstatement of a fired worker, the hiring or promotion of a

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person wrongfully denied a position, the cessation of discrimination or retaliation.

- **Mandate 2:** Omnibus Transportation Employee Testing Act of 1991.  
**Description:** Federal regulations adopted under the act require employers with fifty or more employees to conduct drug and alcohol testing of commercial driver licensees.  
**Sanctions:** Civil penalties not to exceed \$10,000 for each offense. Criminal penalties not to exceed \$25,000 for each offense, or imprisonment not to exceed one year.
  
- **Mandate 3:** Americans with Disabilities Act, Title I.  
**Description:** Prohibits employers from participating in a contractual or other arrangement or relationship (such as that of providing employee benefits) that effectively subjects an employer's employees to prohibited discrimination; from discriminating against a qualified individual because of that individual's relationship or association with a disabled individual; from inquiring into the existence, nature, or severity of a job applicant's or employee's disability; and from requiring medical examinations of job applicants before a conditional offer of employment is made.  
**Sanctions:** Suit by the Equal Employment Opportunity Commission or by the charging party. Remedies include hiring, reinstatement, promotion, back pay, front pay, reasonable accommodation, or other actions to make an individual "whole". Payment of attorney fees, expert witness fees, and court costs. Compensatory damages for intentional discrimination, covering actual monetary losses, future monetary losses, mental anguish and inconvenience.
  
- **Mandate 4:** Civil Rights Act of 1991  
**Description:** Amends the Civil Rights Act of 1964 to strengthen and improve federal civil rights laws, provide for damages in cases of intentional employment discrimination, and clarify disparate impact actions.  
**Sanctions:** Compensatory damages for future pecuniary losses, emotional pain, suffering, inconvenience, mental anguish, loss of enjoyment of life. Nonpecuniary losses shall not exceed \$300,000 for employers with five hundred or more employees.
  
- **Mandate 5:** Comprehensive Omnibus Budget Reconciliation Act of 1985.  
**Description:** Mandates employers to offer terminated employees and other qualified beneficiaries the same health insurance coverages held prior to termination or ineligibility.

- Sanctions: Honoring of claims retroactive to the termination date.
- Mandate 6: Drug-Free Workplace Act of 1988.

Description: Establishes specific conditions for receiving federal funding. Contractors or grantees must certify that a drug-free workplace will be provided, establish an ongoing drug education program, and notify the appropriate federal agency of any employee convictions for criminal drug offenses occurring in the workplace.

Sanctions: Loss of federal funds and grants.
- Mandate 7: Fair Labor Standards Act, as amended in 1974.

Description: Extends coverage to state and local government employees. Coverage includes minimum wage, overtime, recordkeeping and child labor standards, and prohibition of sex discrimination in the compensation of performance of equal work.

Sanctions: Suit by the federal Department of Labor or by the employees for unpaid minimum wages, overtime, and liquidated damages. Attorneys' fees and costs for prevailing employees. Double damages for two to three years for wilful violations.
- Mandate 8: Family Medical Leave Act of 1994.

Description: Entitles eligible employees to take up to twelve weeks of unpaid, job-protected leave each year for specified family and medical reasons. Requires maintenance of health benefits during leave, and job restoration after leave.

Sanctions: Action to compel compliance, brought by the federal Department of Labor or by the eligible employee.
- Mandate 9: Immigration Reform and Control Act of 1986.

Description: Requires employers to verify the employment eligibility of all individuals hired after November 6, 1986 and still employed on June 1, 1987, and all individuals hired on or after June 1, 1987.

Sanctions: Civil fines for the hiring or continued employment of unauthorized employees. Criminal fines or imprisonment for engaging in a pattern of knowingly hiring or continuing to employ unauthorized employees.
- Mandate 10: Title VII of the Civil Rights Act of 1964.

Description: Prohibits discrimination based upon race, color, sex, religion, or national origin in the hiring, promotion, discharge, compensation,

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terms, conditions and privileges of employment, classifying, limiting or segregating of employees or job applicants. Prohibits the printing or publishing of discriminatory advertisements. Prohibits retaliation against any individual for opposing a discriminatory practice, or for filing a charge or participating in an equal employment opportunity complaint.

Sanctions: Injunctive relief, reinstatement, back pay with interest, front pay, attorney's fees, compensatory damages, punitive damages.

- Mandate 11: Uniformed Services Employment and Reemployment Rights Act of 1994.

Description: Expands and clarifies the reemployment rights and benefits of veterans and members of reserve components previously granted under the Veterans Reemployment Rights law of 1940.

Sanctions: Suit by the service-member. Remedies include reasonable attorneys' fees and litigation expenses. Double damages for wilful violations.

Total AGS 901  
Operating funds:

|         | Fiscal Year 1997-1998 |                      |
|---------|-----------------------|----------------------|
|         | For Federal Mandates  | For Total Program    |
| State   | 69,106 A              | 1,977,338 A          |
| Federal | 0 N                   | 11,303,359 Other MOF |
| Total   | 69,106                | 13,280,697           |

## Chapter 3

# SUMMARY OF OPERATING FUNDS FOR FEDERALLY MANDATED PROGRAMS DURING FISCAL YEAR 1997-1998

### 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. The Department of Public Safety was the only department whose response was not received in time to be included in this report.

The survey focused on the operating funds appropriated under the 1997 state budget act to support federally mandated programs during fiscal year 1997-1998. Non-budget act operating funds was also reviewed. Funding for capital improvement projects was not reviewed.

Federally mandated programs were reported by fourteen of the seventeen responding agencies. The three agencies without any federally mandated programs were the Office of the Governor, the Department of Taxation, and the Department of Hawaiian Home Lands.

Federally mandated programs were reported in ten of the eleven program areas of the state budget. The only program area without a federally mandated program was culture and recreation.

The next three numbered sections that follow in this chapter provide overall federal mandate funding perspectives developed from the program area totals which were set forth in chapter two.

Section II, entitled "Budget Act Funding", discusses the funding of federally mandated programs through the budget act. The section provides four different perspectives upon the same funding figures:

- (1) It identifies all means of financing, or sources of funding, used to support mandated programs;
- (2) For each means of financing, a funding break out by program area is provided. Programs receiving the bulk of funding within a program area are identified;
- (3) For each means of financing, a funding break out by executive agency is provided; and
- (4) Funding totals for some mandated programs are recast into the form of funding totals for the federal mandates themselves. The ten federal mandates that are appropriated the bulk of State funding are identified.

Section II facilitates an understanding of the location and extent of federal mandates in the state budget. The federal mandates themselves are implemented through federally mandated state programs. This section identifies the means of financing used to support those mandated programs. It discusses the extent to which the grand total operating budget and the component means of financing support mandated programs. It also identifies the program areas and the executive agencies most heavily impacted by mandated programs. The section also discusses whether there are only a few federal mandates that dominate the bulk of state funding.

Section III, entitled "Non-Budget Act and Budget Act Funding", discusses funding amounts for mandated programs that exist outside of the budget act. The section identifies the sources, amounts, and recipient departments of the non-budgeted state and federal funds. Non-budget act figures, along with budget act figures, facilitate an understanding of the entire funding picture at present for mandated programs. Furthermore, the combined totals for fiscal year 1997-1998 along with similar totals for fiscal year 1994-1995 allow for a comparison of the present with the past in order to determine if any burden shifting has occurred within the past few years between the State and the federal government. Section III also addresses the future, and identifies programs where federal funding shifts are anticipated after fiscal year 1997-1998. Programs where federal funds are scheduled to be either reduced or increased are identified, regardless of whether the funds are budget funds or non-budget funds. Potential impacts on state funding are discussed.

Finally, Section IV, entitled "Formerly Mandated Programs Supported by the State", discusses state funding of former federal mandates. The programs and former federal mandates are identified. The existence of state-supported programs that were formerly mandated by the federal government raises issues of whether the programs should continue to be supported by the State.

## **II. Budget Act Funding**

### **Means of Financing Used for Federally Mandated Programs Under the Budget Act**

Six of the nine means of financing used in the grand total operating budget support federally mandated programs in fiscal year 1997-1998. Total operating funds for federally mandated programs from these six means of financing (MOF) equal \$1,452,859,817. General funds, special funds, and federal funds constitute the bulk of the financing. Trust funds, interdepartmental transfers, and revolving funds constitute the remainder. There is no financing from private contributions, county funds, or other funds.<sup>5</sup> Funding amounts from the six means of financing are as follows:

|                        |                                 |
|------------------------|---------------------------------|
| \$ 672,751,556         | General funds                   |
| 182,642,269            | Special funds                   |
| 583,031,060            | Federal funds                   |
| 2,424,620              | Trust funds                     |
| 7,771,150              | Interdepartmental transfers     |
| + 4,239,162            | Revolving funds                 |
| <u>\$1,452,859,817</u> | Federal mandate operating funds |

Assuming that state funds are comprised of the six means of financing except federal funds, then the total amount of state funds appropriated for federally mandated programs is \$869,828,757:

|                       |                                     |
|-----------------------|-------------------------------------|
| \$1,452,859,817       | funds for mandated programs         |
| - 583,031,060         | federal funds for mandated programs |
| <u>\$ 869,828,757</u> | State funds for mandated programs   |

The ratio of state funds to federal funds under the budget act is thus: \$869,828,757 to \$583,031,060; or \$1.49 to \$1.00. For every \$1.00 in federal funds, the State must provide \$1.49 for federally mandated programs.

State funds needed for federally mandated programs constitute about fifteen percent of the \$5,782,448,512 grand total operating budget for fiscal year 1997-1998<sup>6</sup>:

$$(\$869,828,757 \div \$5,782,448,512) \times 100 = 15 \%$$

### **General Funds for Federally Mandated Programs Under the Budget Act**

As stated earlier, the total amount of general funds appropriated to support federally mandated programs during fiscal year 1997-1998 is \$672,751,556. This amount of funds constitutes about twenty-two percent of the \$3,107,926,855 in grand total general funds under the budget act:

$$(\$672,751,556 \div \$3,107,926,855) \times 100 = 22 \%$$

Three of the eleven program areas together were appropriated almost all of the general funds for mandated programs. They were social services, health, and the lower education portion of formal education. Of the \$672,751,556 in general funds for federally mandated programs, \$433,363,483 was appropriated to social services, \$120,709,521 was appropriated to health, and \$102,389,278 was appropriated to lower education.

The remaining \$16,289,274 of the \$672,751,556 in general funds for mandated programs were appropriated as follows: \$5,118,383 to employment, \$4,951,277 to higher education, \$3,035,381 to public safety, \$2,420,063 to environmental protection, \$602,230 to government-wide support, \$113,500 to individual rights, and \$48,440 to economic development. There were no mandated general funds for the program areas of transportation facilities and culture and recreation.

Within social services, the programs relating to medical assistance and Temporary Assistance to Needy Families (TANF) received the bulk of the social services funds. First, \$313,064,783 of the total \$433,363,483 in social services general funds for mandated programs was appropriated to the three Medicaid-related programs, HMS 230 (Medicaid), HMS 245 (QUEST), and HMS 902 (Medicaid administration), to fulfill the mandates of Title XIX of the Social Security Act. The programs reported their entire general fund appropriations under the budget act as being federally mandated. Second, about \$64,410,949 of the total \$433,363,483 in social services general funds for mandated programs was appropriated to the three TANF-related programs, HMS 201 (Temporary Assistance to Needy Families), HMS 236 (eligibility), and HMS 903 (general support), to support mandates under the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These programs also reported their entire general funds appropriations as being federally mandated.

Within health, \$76,345,092 of the total \$120,709,521 in health general funds for mandated programs was appropriated to fulfill the federal district court orders governing HTH 430 (Hawaii state hospital) and HTH 460 (child and adolescent mental health). The two programs reported their entire general fund appropriations of \$31,067,340 and \$45,277,752 as being federally mandated by *U.S. v Hawaii*, Civil No. 91-00137, and *Felix v. Waihee*, Civil No. 93-00367, respectively.

Within lower education, \$95,207,786 of the total \$102,389,278 in lower education general funds for mandated programs was appropriated to EDN 100 (school-based budgeting), EDN 200 (instructional support), and AGS 808 (student transportation) to fulfill mandates relating to the Individuals with Disabilities Education Act.

### **Special Funds for Federally Mandated Programs under the Budget Act**

As stated earlier, the total amount of special funds appropriated for all federally mandated programs during fiscal year 1997-1998 was \$182,042,269. These funds constitute about sixteen percent of the \$1,127,562,559 in grand total special funds appropriated in the budget act:

$$(\$182,042,269 \div \$1,127,562,559) \times 100 = 16\%.$$

Of that \$182,042,269 in special funds for mandated programs, \$166,510,310 was appropriated to LBR 171 (unemployment compensation), for mandates relating to Title III of the Social Security Act. The reported funding figure represents the entire appropriation of special funds under the program ID. LBR 171 is the only program in the employment area that was appropriated any special funds for mandated programs.

The remaining \$16,131,959 of the \$182,042,269 in special funds for mandated programs was appropriated among the other program areas in the following amounts: \$6,196,502 to environmental protection, \$3,998,439 to lower education, \$2,732,497 to transportation facilities, \$2,502,292 to health, \$350,000 to higher education, \$280,229 to government-wide support, and \$72,000 to individual rights. There were no mandated special funds for economic development, social services, culture and recreation, and public safety.

## Federal Funds for Federally Mandated Programs Under the Budget Act

As stated earlier, the total amount of federal funds authorized under the budget act to support federally mandated programs during fiscal year 1997-1998 was \$583,031,060. This figure represents about sixty-seven percent of the \$870,229,508 in grand total federal funds under the budget act:

$$(\$583,031,060 \div \$870,229,508) \times 100 = 67 \%$$

One of the eleven program areas, social services, was authorized the bulk of federal funds for mandated programs. Most of the remaining funds went to employment and health. Of the \$583,031,060 in federal funds for federally mandated programs, \$487,893,013 was authorized for social services, \$43,112,918 was authorized for employment, and \$31,377,143 was authorized for health. The remaining \$20,647,986 of the total \$487,893,013 in federal funds for mandated programs was authorized to the other program areas as follows: \$6,500,000 to lower education, \$6,082,969 to public safety, \$4,312,716 to environmental protection, \$2,384,753 to economic development, \$846,309 to government-wide support, \$457,667 to higher education, and \$63,572 to transportation facilities. There were no mandated federal funds for culture and recreation and individual rights.

Within social services, the programs relating to Medicaid and TANF were appropriated the bulk of the federal funds, as they were in the case of general funds. First, \$321,976,890 of the total \$487,893,013 in social services federal funds for mandated programs was appropriated to the three Medicaid programs HMS 230 (Medicaid), HMS 245 (QUEST), and HMS 902 (Medicaid administration) to support mandates relating to Title XIX of the Social Security Act. These three programs reported their entire federal funds appropriations under the budget act as being mandated. Second, apparently about \$112,893,184 of the total \$487,893,013 in social services federal funds for mandated programs was appropriated to HMS 201 (Temporary Assistance to Needy Families), HMS 236 (Eligibility Determination and Employment Related Services), and HMS 903 (general support) to support mandates relating to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. These three program IDs reported their entire federal fund appropriations under the budget act as being federally mandated.

Within employment, \$15,747,725 of the total \$43,112,918 in employment federal funds for mandated programs was authorized to LBR 111 (workforce development) in support of the Job Training Partnership Act. Also, \$12,395,923 of the \$43,112,918 in federal funds was authorized to LBR 171 (unemployment compensation) in support of Title III of the Social Security Act.

Within health, no particular program was authorized the bulk of the \$31,377,143 in federal funds appropriated for mandated programs in the health program area.

**Trust Funds, Interdepartmental Transfers, and Revolving Funds for Federally Mandated Programs Under the Budget Act**

Trust funds, interdepartmental transfers, and revolving funds constituted \$14,434,932 of the total \$1,452,859,817 in means of financing for federally mandated programs.

Trust funds amounted to \$2,424,620. All the funds were appropriated to the social services program ATG 500 (child support enforcement), administered by the Department of the Attorney General and relating to Title IV-D of the Social Security Act.

Interdepartmental transfers amounted to \$7,771,150. The funds were distributed between social services and health. The sum of \$6,000,000 was appropriated to the social services program HMS 230 (health care payments), administered by the Department of Human Services and relating to Medicaid, Title XIX. The remaining sum of \$1,771,150 was appropriated to the health program HTH 495 (behavioral health services), administered by the Department of Health and relating to the *Felix v. Waihee* consent decree.

Revolving funds amounted to \$4,239,162. The funds were distributed between environmental protection and higher education. Environmental protection was appropriated \$4,229,842. The environmental protection funds were made up of \$3,979,842 for the mandates in HTH 840 (environmental management), administered by the Department of Health and relating to safe drinking water, solid and hazardous wastes, and wastewater, and \$250,000 for the mandates in AGR 846 (pesticides), administered by the Department of Agriculture and relating to the use of pesticides. Higher education was appropriated \$9,320 for mandates in UOH 100 (University of Hawaii, Manoa) relating to student health services on the Manoa campus.

**Tabular Funding Summary of Federally Mandated Programs Under the Budget Act by Program Area**

The total operating funds for federally mandated programs in each of the eleven program areas of the state budget, broken down by their means of financing, are summarized in the following table. Much of the previous discussion above of the means of financing mandated programs through general funds, special funds, and federal funds, is restated below. Program areas make up the rows. Program area G, education, is split into lower education and higher education. The six means of financing make up the columns.

**Table 3A: Program Area Means of Financing for Federally Mandated Programs**

| Program Area        | General       | Special       | Federal     | Trust       | Transfer   | Revolving   | Program ID Total |
|---------------------|---------------|---------------|-------------|-------------|------------|-------------|------------------|
| Econ Dev            | 48,440        | 0             | 2,384,753   | 0           | 0          | 0           | 2,433,193        |
| Employment          | 5,118,383     | 166,510,310   | 43,112,918  | 0           | 0          | 0           | 214,741,611      |
| Transportation      | 0             | 2,732,497     | 63,572      | 0           | 0          | 0           | 2,796,069        |
| Environmental       | 2,420,063     | 6,196,502     | 4,312,716   | 0           | 0          | 4,229,842   | 17,159,123       |
| Health              | 120,709,521   | 2,502,292     | 31,377,143  | 0           | 1,771,150  | 0           | 156,360,106      |
| Social Services     | 433,363,483   | 0             | 487,893,013 | 2,424,620   | 6,000,000  | 0           | 929,681,116      |
| Educ - Lower        | 102,389,278   | 3,998,439     | 6,500,000   | 0           | 0          | 0           | 112,887,717      |
| Educ - Higher       | 4,951,277     | 350,000       | 457,667     | 0           | 0          | 9,320       | 5,768,264        |
| Culture/Rec         | 0             | 0             | 0           | 0           | 0          | 0           | 0                |
| Public Safety       | 3,035,381     | 0             | 6,082,969   | 0           | 0          | 0           | 9,118,350        |
| Individual Rts      | 113,500       | 72,000        | 0           | 0           | 0          | 0           | 185,500          |
| Gov Wide Sup        | 602,230       | 280,229       | 846,309     | 0           | 0          | 0           | 1,728,768        |
| Mandate Funds Total | 672,751,556   | 182,642,269   | 583,031,060 | 2,424,620   | 7,771,150  | 4,239,162   | 1,452,859,817    |
|                     |               |               |             |             |            |             |                  |
| Area Appropriation  | 3,107,926,855 | 1,127,562,559 | 870,229,508 | 388,871,434 | 45,925,728 | 233,169,341 | 5,782,448,512    |
| Mandate/Area        | 0.21646       | 0.16198       | 0.66997     | 0.00624     | 0.16921    | 0.01818     | 0.25125          |

**The Departments Administering Federally Mandated Programs**

The means of financing used to support mandated programs was discussed above in terms of the program areas to which the funds were appropriated. The means of financing can also be discussed in terms of departments to which those funds were appropriated. Since the program areas receiving the bulk of funding are closely identified with the departments that administer most of the programs in those areas, the departmental appropriations reflect the program area appropriations.

Regarding the general funds, the three departments with the largest appropriations reflect the three program areas with the largest appropriations, in both size and order. The three departments were the Department of Human Services, the Department of Health, and the Department of Education. In comparison, the three program areas were the program areas administered by these departments: social services, health, and lower education.

Of the \$672,751,556 in general funds for mandated programs, the Department of Human Services was appropriated \$435,620,455<sup>7</sup>, the Department of Health was appropriated \$122,106,461<sup>8</sup>, and the Department of Education was appropriated \$94,389,278<sup>9</sup>. (As noted earlier, social services was appropriated \$433,363,483, health was appropriated \$120,709,521, and lower education was appropriated \$102,389,278.)

Regarding special funds, the department appropriations reflect program area appropriations. Out of the total \$182,642,269 in special fund appropriations for mandated programs, the \$166,510,310 appropriation to the Department of Labor and Industrial Relations reflects the \$166,510,310 appropriation to the employment program area.

Regarding federal funds, the three departments with the largest appropriations reflect the three program areas with the largest appropriations, in both size and order. The Department of Human Services was appropriated \$483,569,241<sup>10</sup>, the Department of Labor and Industrial Relations was appropriated \$34,998,027<sup>11</sup>, and the Department of Health was appropriated \$34,489,859<sup>12</sup>. As noted earlier, the social services area was appropriated \$487,893,013, the employment area was appropriated \$43,112,918, and the health area was appropriated \$31,377,143.

*SUMMARY OF OPERATING FUNDS FOR FEDERALLY MANDATED PROGRAMS*

Regarding interdepartmental transfers, and revolving funds, all trust funds of \$2,424,620 were appropriated to the Department of the Attorney General for child support enforcement. Of the \$7,771,150 in interdepartmental transfers, \$6,000,000 was appropriated to the Department of Human Services for Medicaid, and \$1,771,150 was appropriated to the Department of Health for *Felix v Waihee*. Of the \$4,239,162 in revolving funds, \$4,229,842 was appropriated to the Department of Health for environmental protection, \$250,000 was appropriated to the Department of Agriculture for pesticide control, and \$9,320 was appropriated to the University of Hawaii for student health services.

**Tabular Funding Summary of Federally Mandated Programs  
Administered by the State Executive Agencies**

The total operating funds for federally mandated programs administered by each of the departments, broken down by their means of financing, are summarized in the following table. Departments make up the rows. The six means of financing make up the columns. Note that the grand total in general funds includes a \$1,500,000 subsidy to the counties. Subtracting the county subsidy from the grand total of \$3,107,926,855 leaves the amount of \$3,106,426,855 in general funds available to the departments for all programs, mandated or otherwise.<sup>13</sup>

**FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 1997-1998**

**Table 3B: Departmental Means of Financing for Federally Mandated Programs**

| Department          | General       | Special       | Federal     | Trust       | Transfer   | Revolving   | Department Total |
|---------------------|---------------|---------------|-------------|-------------|------------|-------------|------------------|
| AGR                 | 853,290       | 0             | 350,000     | 0           | 0          | 250,000     | 1,453,290        |
| AGS                 | 8,069,106     | 0             | 0           | 0           | 0          | 0           | 8,069,106        |
| ATG                 | 1,396,334     | 280,229       | 13,284,972  | 2,424,620   | 0          | 0           | 17,386,155       |
| BED                 | 48,440        | 0             | 2,384,753   | 0           | 0          | 0           | 2,433,193        |
| BUF                 | 402,680       | 0             | 0           | 0           | 0          | 0           | 402,680          |
| CCA                 | 0             | 72,000        | 0           | 0           | 0          | 0           | 72,000           |
| DEF                 | 3,020,381     | 0             | 6,042,969   | 0           | 0          | 0           | 9,063,350        |
| EDN                 | 94,389,278    | 3,998,439     | 6,500,000   | 0           | 0          | 0           | 104,887,717      |
| GOV                 | 0             | 0             | 0           | 0           | 0          | 0           | 0                |
| HHL                 | 0             | 0             | 0           | 0           | 0          | 0           | 0                |
| HMS                 | 435,620,455   | 0             | 483,569,241 | 0           | 6,000,000  | 0           | 925,189,696      |
| HRD                 | 0             | 0             | 0           | 0           | 0          | 0           | 0                |
| HTH                 | 122,106,461   | 8,698,794     | 34,489,859  | 0           | 1,771,150  | 3,979,842   | 171,046,106      |
| LBR                 | 1,465,077     | 166,510,310   | 34,998,027  | 0           | 0          | 0           | 202,973,414      |
| LNR                 | 298,333       | 0             | 890,000     | 0           | 0          | 0           | 1,188,333        |
| LTG                 | 130,444       | 0             | 0           | 0           | 0          | 0           | 130,444          |
| PSD                 | 0             | 0             | 0           | 0           | 0          | 0           | 0                |
| TAX                 | 0             | 0             | 0           | 0           | 0          | 0           | 0                |
| TRN                 | 0             | 2,732,497     | 63,572      | 0           | 0          | 0           | 2,796,069        |
| UOH                 | 4,951,277     | 350,000       | 457,667     | 0           | 0          | 9,320       | 5,768,264        |
| Mandate Funds Total | 672,751,556   | 182,642,269   | 583,031,060 | 2,424,620   | 7,771,150  | 4,239,162   | 1,452,859,817    |
| Grand Total         | 3,107,926,855 | 1,127,562,559 | 870,229,508 | 388,871,434 | 45,925,728 | 233,169,341 | 5,782,448,512    |
| County Subsidy      | (1,500,000)   |               |             |             |            |             | (1,500,000)      |
| Dept Total          | 3,106,426,855 | 1,127,562,559 | 870,229,508 | 388,871,434 | 45,925,728 | 233,169,341 | 5,780,948,512    |
| Mandate /Dept       | 0.21657       | 0.16198       | 0.66997     | 0.00624     | 0.16921    | 0.01818     | 0.25132          |

**The Ten Most Heavily State-Funded Federal Mandates in the Budget Act**

Up to this point the funding of federal mandates has been discussed in terms of the state programs (the program IDs) in which the mandates are found. It appears that some mandates are implemented in more than one state program, or by more than one department, or in more than one program area. To the extent that these mandates can be matched up from one program to the next, some discussion is also possible regarding funding of the mandates themselves. The most

heavily state-funded mandates are discussed below.

The federal mandates that were appropriated the most state funds in the budget act are found in the social services and health program areas. They are implemented through programs administered largely by the Department of Human Services and the Department of Health. A number of them involve titles of the Social Security Act.

The three most heavily state-funded federal mandates are: (1) Medicaid, Title XIX of the Social Security Act; (2) the Individuals with Disabilities Act; and (3) Unemployment Compensation, Title III of the Social Security Act. Their combined funding, from general funds, special funds, and interdepartmental transfers, totaled \$653,975,264:

|               |   |
|---------------|---|
| \$320,553,703 | Medicaid                                    |
| 166,911,251   | Individuals with Disabilities Education Act |
| + 166,510,310 | Unemployment Compensation                   |
| \$653,975,264 |   |

Thus these three mandates alone accounted for about seventy-five percent of all state funds appropriated for compliance with federal mandates:

$$(\$653,975,264 \div \$869,828,757) \times 100 = 75 \%$$

In terms of just general funds, their combined funding totaled \$473,734,603:

|               |   |
|---------------|---|
| \$314,273,474 | Medicaid                                    |
| 159,461,129   | Individuals with Disabilities Education Act |
| + 0           | Unemployment Compensation                   |
| \$473,734,603 |   |

Thus Medicaid and the Individuals with Disabilities Education Act accounted for about seventy percent of all general funds appropriated for compliance with federal mandates:

$$(\$473,734,603 \div \$672,751,556) \times 100 = 70 \%$$

Medicaid alone accounted for about forty-seven percent of all general funds appropriated for compliance with federal mandates:

$$(\$314,273,474 \div \$672,751,556) \times 100 = 47 \%$$

Medicaid involves programs in the three program area of health, social services, and government-wide support. It also involves administration by three different departments: the Department of Health, the Department of Human Services, and the Department of the Attorney General.

The Individuals with Disabilities Education Act accounted for about twenty-five percent of all general funds appropriated for compliance with federal mandates:

$$(\$166,911,251 \div \$672,751,556) \times 100 = 25 \%$$

The Individuals with Disabilities Education Act involves programs in the two program areas of health and lower education. The act also involves administration by three different departments: the Department of Health, the Department of Education, and the Department of Accounting and General Services.

A list of the ten federal mandates appropriated the most state funds under the budget act is as follows. The implementing program IDs (including their line number in the budget act), amount of funds, and means of financing (MOF) are noted:

**Table 3C: The Ten Most Heavily State-Funded Federal Mandates**

| Rank         | Federal Mandate   | Program ID   | Program Funds | MOF | State funds |
|--------------|---|--------------|---------------|-----|-------------|
| 1            | Medicaid, Title XIX,<br>Social Security Act   | E04. HTH 131 | 1,208,691     | A   | 320553703   |
|              |   | F25. HMS 230 | 142,235,120   | A   |             |
|              |   | F25. HMS 230 | 6,000,000     | U   |             |
|              |   | F27. HMS 245 | 166,963,798   | A   |             |
|              |   | F36. HMS 902 | 3,865,865     | A   |             |
|              |   | K18. ATG 100 | 280,229       | B   |             |
| 2            | Individuals with<br>Disabilities Education<br>Act<br><br>(Felix v. Waihee)<br>(Felix v. Waihee)<br>(Felix v. Waihee)<br>(Felix v. Waihee) | E12. HTH 530 | 3,294,577     | A   | 166911251   |
|              |   | E13. HTH 540 | 2,182,000     | A   |             |
|              |   | E14. HTH 550 | 7,500,000     | A   |             |
|              |   | E15. HTH 570 | 2,499,696     | A   |             |
|              |   | E25. HTH 460 | 45,277,752    | A   |             |
|              |   | E25. HTH 460 | 1,902,292     | B   |             |
|              |   | E26. HTH 495 | 3,499,318     | A   |             |
|              |   | E26. HTH 495 | 1,771,150     | U   |             |
|              |   | G01. EDN 100 | 71,042,375    | A   |             |
|              |   | G01 EDN 100  | 3,776,680     | B   |             |
|              |   | G02. EDN 200 | 16,165,411    | A   |             |
| G07. AGS 808 | 8,000,000   | A            |               |     |             |
| 3            | Title III, Unemployment<br>Compensation, Social<br>Security Act   | B09. LBR 171 | 166510310     | B   | 166510310   |
| 4            | Personal Responsibility<br>and Work Opportunity<br>Reconciliation Act of<br>1996  | F10. HMS 201 | 44,009,296    | A   | 64871589    |
|              |   | F28. HMS 236 | 10,732,879    | A   |             |
|              |   | F31. HMS 237 | 460,640       | A   |             |
|              |   | F37. HMS 903 | 9,668,774     | A   |             |
| 5            | United States v. Hawaii,<br>Civil No. 91-137 (re:<br>Hawaii State Hospital)   | E23. HTH 430 | 31067340      | A   | 31067340    |
| 6            | Supplementary Security<br>Income, Title XVI,<br>Social Security Act   | F11. HMS 202 | 29474516      | A   | 29474516    |

SUMMARY OF OPERATING FUNDS FOR FEDERALLY MANDATED PROGRAMS

|    |  |              |               |   |          |
|----|--|--------------|---------------|---|----------|
| 7  | Adoption Assistance and Child Welfare Act, Title IVE, Social Security Act    | F01. HMS 301 | 1108          | A | 15225811 |
|    |  | F03. HMS 303 | 13624144449   | A |          |
| 8  | Maternal and Child Health Services Block Grant, Title V, Social Security Act | E12. HTH 530 | 961,679       | A | 8726355  |
|    |  | E12. HTH 530 | 600,000       | B |          |
|    |  | E13. HTH 540 | 893,763       | A |          |
|    |  | E14. HTH 550 | 4,068,185     | A |          |
|    |  | E17. HTH 595 | 2,202,728     | A |          |
| 9  | Substance Abuse Prevention and Treatment Block Grant                         | E24. HTH 440 | 6271580610600 | A | 6882180  |
|    |  | E26. HTH 495 |               | A |          |
| 10 | Public Health Services Act   | E01. HTH 101 | 151,050       | A | 4116522  |
|    |  | E02. HTH 111 | 3,875,458     | A |          |
|    |  | E14. HTH 550 | 90,014        | A |          |

**III. Non-Budget Act and Budget Act Funding**

**Non-Budget Funds for Federally Mandated Programs**

Most operational funding for federally mandated programs is accounted for in the 1997 state budget act. However, some operating funds for programs exist outside of the act. Approximately \$2,712,318 are non-budgeted state funds. Approximately \$247,947,066 are non-budgeted federal funds.

The bulk of the non-budgeted state funds of \$2,712,318 is \$2,200,000 in revolving funds for the Department of Budget and Finance’s endangered plant preservation program, reported by BUF 227 Housing Finance, in the social services program area.

The remaining \$512,318 in non-budgeted state funds for federally mandated programs rests with the Department of Transportation, the Department of Health, the Department of the Attorney General, and the Office of the Lieutenant Governor. Their funding sources are unencumbered carryover funds from the prior fiscal year 1996-1997, appropriations from a separate act during the 1997 session, or unexplained.

As stated above, about \$247,947,066 in federal funds exist as non-budget items. The bulk of these federal funds are \$206,764,800 worth of food stamp coupons to be administered through HMS 206 by the Department of Human Services in the social services program area. The remaining funds of \$41,182,266 rests with the Department of Transportation, the Department of Health, the Department of Human Services, the University of Hawaii, the Department of Land and Natural Resources, and the Department of Defense. These federal funds represent pass through grants, reimbursement funds, Congressional appropriations, updated figures, or are not explained.

A breakdown of non-budget state and federal funds for mandated programs is presented below. The amounts and sources are given for the program IDs that reported the non-budget funds:

**Table 3D: Non-Budget State and Federal Funds for Federally Mandated Programs**

| Program ID   | State Funds | State Source            | Federal Funds | Federal Source         | Total       |
|--------------|-------------|-------------------------|---------------|------------------------|-------------|
| C34. TRN 597 | 169,000     |                         | 767,428       | pass through grant     | 936,428     |
| C35. TRN 995 | 0           |                         | 128,553       | pass through grant     | 128,553     |
| D01. HTH 840 | 0           |                         | 10,117,342    |                        | 10,117,342  |
| E02. HTH 111 | 0           |                         | 1,038,331     | reimbursement funds    | 1,038,331   |
| E04. HTH 131 | 20,490      | carryover general funds | 0             |                        | 20,490      |
| E27. HTH 610 | 0           |                         | 81,377        | updated figures        | 81,377      |
| F01. HMS 301 | 0           |                         | 12,739,364    | updated figures        | 12,739,364  |
| F13. HMS 206 | 0           |                         | 206,764,800   | food stamp coupons     | 206,764,800 |
| F20. BUF 227 | 2,200,000   | revolving fund          | 0             |                        | 2,200,000   |
| F37. HMS 903 | 0           |                         | 3,450,553     | updated figures        | 3,450,553   |
| G09. UOH 100 | 0           |                         | 11,109,029    | federal appropriations | 11,109,029  |
| G20. UOH 900 | 0           |                         | 350,000       |                        | 350,000     |
| I19. ATG 231 | 300,000     | Act 316, SLH 1997       | 0             |                        | 300,000     |
| I20. LNR 810 | 0           |                         | 5,000         |                        | 5,000       |
| I21. DEF 110 | 0           |                         | 1,395,289     | updated figures        | 1,395,289   |
| K08. LTG 102 | 22,828      |                         | 0             |                        | 22,828      |
|              |             |                         |               |                        |             |
| Total        | 2,712,318   |                         | 247,947,066   |                        | 250,659,384 |

**The Past and the Present: Fiscal Year 1997-1998 Compared to Fiscal Year 1994-1995**

Problems exist in comparing the federal mandate funding results of the present survey with those of the previous Bureau survey. The sums reported in the previous survey may have combined budget funds with non-budget funds, and the figures may have reflected either expenditures or appropriations. In contrast, the sums reported in the present survey were separated to the extent possible into budget funds and non-budget funds, and the figures reflect only appropriations.

In the previous survey, fiscal year 1994-1995 state operating funds for federally mandated programs were reported to be \$507,053,828. Federal operating funds for federally mandated programs were reported to be \$687,538,348.<sup>14</sup> Assuming that these fiscal year 1994-1995 figures include both budget and non-budget funds in the count, then the most comparable figures for the present fiscal year 1997-1998 study appear to be the sums of the budget funds and non-budget funds. Thus, for fiscal year 1997-1998:

*SUMMARY OF OPERATING FUNDS FOR FEDERALLY MANDATED PROGRAMS*

$$\begin{aligned} \text{State funds for mandated programs} &= \text{budget funds} + \text{non-budget funds} \\ &= \$869,828,757 + \$2,712,318 \\ &= \$872,541,075 \end{aligned}$$

$$\begin{aligned} \text{Federal funds for mandated programs} &= \text{budget funds} + \text{non-budget funds} \\ &= \$583,031,060 + \$247,947,066 \\ &= \$830,978,126 \end{aligned}$$

$$\begin{aligned} \text{Total funds for mandated programs} &= \text{state funds} + \text{federal funds} \\ &= \$872,541,075 + \$830,978,126 \\ &= \$1,703,519,201 \end{aligned}$$

A comparison of the figures for the two fiscal years indicates that state funding of federally mandated programs increased about seventy-two percent, from \$507,053,828 in fiscal year 1994-1995 to \$872,541,075 in fiscal year 1997-1998. Federal funds increased about twenty-one percent, from \$687,538,348 to \$830,978,126:

$$\begin{aligned} \text{State:} & \quad 72 \% \quad [(\$872,541,075 \div \$507,053,828) - 1] \times 100 \\ \text{Federal:} & \quad 21 \% \quad [(\$830,978,126 \div \$687,538,348) - 1] \times 100 \end{aligned}$$

More importantly, it also appears that a slight shifting in funding responsibilities has occurred. The State's proportionate share of mandate funding increased from forty-two percent of combined state and federal funding in fiscal year 1994-1995, to fifty-one percent of combined state and federal funding in fiscal year 1997-1998:

$$\begin{aligned} \text{FY 1994-95:} & \quad [\$507,053,828 \div (\$507,053,828 + \$687,538,348)] \times 100 \quad 42 \% \\ \text{FY 1997-98:} & \quad [\$872,541,075 \div (\$872,541,075 + \$830,978,126)] \times 100 \quad 51 \% \end{aligned}$$

In fiscal year 1994-1995 the State provided \$507,053,828 of state funds against \$687,538,348 of federal funds. That is, the State provided \$0.74 to every \$1.00 of federal funds. In fiscal year 1997-1998 the State is providing \$1.05 to every \$1.00 of federal funds for federally mandated programs.

The table below restates the numbers discussed above. Fiscal year 1997-1998 sums of budget and non-budget funds from the State and from the federal government are compared to fiscal year 1994-1995 sums:

**Table 3E: Fiscal Years 1997-1998 and 1994-1995 Compared**

| Budget plus Non-budget Funds | FY 1994-1995  | FY 1997-1998  | % change |
|------------------------------|---------------|---------------|----------|
| State funds (S)              | 507,053,828   | 872,541,075   | 72       |
| Federal funds (F)            | 687,538,348   | 830,978,126   | 21       |
| State + federal (S + F)      | 1,194,592,176 | 1,703,519,201 | 43       |
| [State/(S + F)] x 100        | 42            | 51            |          |
| [Federal/(S + F)] x 100      | 58            | 49            |          |
| State funds to Federal funds | .74 to 1.00   | 1.05 to 1.00  |          |

## The Present and the Future: Anticipated Federal Funding Shifts After Fiscal Year 1997-1998

The agencies were asked to report whether any increases, decreases, or caps in federal funding levels are scheduled after fiscal year 1997-1998 in any of their federally mandated programs, and whether those federal funding changes will impact state funding requirements. The most common response across individual programs was that federal funding levels were not scheduled to change after fiscal year 1997-1998. Discussed below are only the programs which did report a scheduled change in future federal funding.

### Federal Funding Reductions

First, federal funds are scheduled to be reduced or terminated after fiscal year 1997-1998 in the following state programs for the following federal mandates:

| <u>State Program:</u> | <u>Federal Mandate:</u>   |
|-----------------------|---|
| (1) LBR 111           | Work Opportunity Tax Credit Program, Small Business Protection Act of 1966, Public Law 104-188. |
| (2) LBR 171           | Title III, Social Security Act, Federal Unemployment Fund.                                      |
| (3) HTH 840           | 40 CFR 52.21, 60, 61, 63, 70, relating to clean air.  |
| (4) HTH 440           | Categorical grant under ADAMHA/Public Health Service Act.                                       |
| (5) HMS 206           | Food Stamp Act of 1977, Public Law 95-113.  |
| (6) UOH 100           | PEACESAT.   |

No state funds are presently being used to support the mandates in LBR 111 (work opportunity) and HMS 206 (food stamps).

State funds *are* being used to support the mandates in the other programs: LBR 171 (unemployment), HTH 840 (clean air), HTH 440 (ADAMHA), and UOH 100 (PEACESAT). Among these state-supported programs, an alternative federal funding source is being sought for PEACESAT in UOH 100. For the three other state-supported programs, it is not known what impacts possible reductions in future federal funds will have on the level of state funding. That is, it is not known whether the State will need to supplement any lost federal funds with state funds or whether the State may likewise reduce state funding.

### Federal Funding Increases

Second, federal funds are scheduled to be increased after fiscal year 1997-1998 in the following state programs for the following federal mandates:

| <u>State Program:</u> | <u>Federal Mandate:</u>                                       |
|-----------------------|---|
| (1) LBR 143           | Occupational Safety and Health Act of 1970.                   |
| (2) TRN 595           | Intermodal Surface and Transportation Efficiency Act of 1991. |
| (3) HTH 840           | Safe Drinking Water Act of 1974.                              |
| (4) HTH 530           | Individuals with Disabilities Education Act.                  |
| (5) HMS 301           | Family Violence Prevention and Services Act, 1984.            |
| (6) HMS 901           | Title IV-B, Family Preservation and Support Services.         |

State funds are used to support the mandates in all of these programs. The scheduled increases in federal funding must be correspondingly matched by increases in state funding for LBR 143 (OSHA), HMS 301 (family violence), and HMS 901 (Title IV-B). They need not be matched by increases for HTH 530 (IDEA).

On the other hand, it is not known what impacts the scheduled increases in federal funds will have on the level of state funding in TRN 595 (ISTEA) and HTH 840 (safe drinking water). That is, it is not known whether the State must correspondingly increase state funds to match the scheduled increases in federal funds for those programs.

#### **IV. Formerly Mandated Programs Supported by the State**

Finally, the programs discussed implement only present federal mandates. The agencies also reported a total of three programs that use state funds to support former federal mandates.

One of the programs, administered by the Department of Transportation, received state funding for fiscal year 1997-1998 through the budget act. The funding sources and statuses of the other two, administered respectively by the Department of Labor and Industrial Relations and the Department of Health, are unclear.

The Department of Transportation's periodic motor vehicle inspection program, placed in TRN 597 (highway safety) of the transportation program area, was formerly mandated by the Highway Safety Act of 1966, PL 89-564. The mandate was withdrawn as of October 1, 1988. The program was appropriated \$1,280,000 in state special funds under the 1997 budget act.

The Department of Labor and Industrial Relations' Hawaii State Council on Vocational Education (HSCOVE), placed in LBR135 (commission on employment and human resources) of the employment program area, was formerly mandated by the Carl D. Perkins Vocational and Applied Technology Education Act Amendments of 1990, PL 101-392. Congressional funding

for the state councils was eliminated effective July 1, 1996. Funding for HSCOVE was continued in fiscal year 1996-1997 through carryover funds and other Perkins funds, which must be used by September 30, 1997. Act 346, Session Laws of Hawaii 1997, consolidates HSCOVE into the Workforce Development Council (WDC) but provides no funding for the WDC.

The Department of Health's lead contamination program, placed in HTH 840 (environmental management) of the environmental protection program area, was formerly mandated by the Lead Contamination Control Act, passed in November 1988. Federal funding fell through. Existing state funds have been used.

## V. Conclusion

In conclusion, the total operating funds available through the budget act and outside of the budget act for federally mandated programs during fiscal year 1997-1998 is \$1,703,519,201. Of this total, state funds account for \$872,541,075, and federal funds account for \$830,978,126. The state total of \$872,541,075 is comprised of \$869,828,757 in budget act (Act 328, Session Laws of Hawaii 1997) funds and \$2,712,318 in non-budget act funds. The federal total of \$830,978,126 is comprised of \$583,031,060 in budget act funds and \$247,947,066 in non-budget act funds.

Based on both budget and non-budget act totals, the State is providing \$1.05 to every \$1.00 of federal funds for federally mandated programs during fiscal year 1997-1998. In contrast, the State provided \$0.74 to every \$1.00 of federal funds during fiscal year 1994-1995. Evidently, some burden shifting has occurred between the State and the federal government over the past few years. In fiscal year 1994-1995 the federal government assumed more than half the costs of supporting its own federally mandated programs. In fiscal year 1997-1998 the State is assuming just over half of those costs. Predictions are difficult to make regarding future federal and state funding levels.

Under the budget act only, total operating funds for federally mandated programs are \$1,452,859,817. Of this total, state funds account for \$869,828,757, and federal funds account for \$583,031,060, as stated earlier. State funds needed for mandated programs constitute about fifteen percent of the grand total operating budget of \$5,782,448,512 for fiscal year 1997-1998.

Of the state funds of \$869,828,757, general funds account for \$672,751,556, special funds account for \$182,642,269, trust funds account for \$2,424,620, interdepartmental transfers account for \$7,771,150, and revolving funds account for \$4,239,162. The major funding sources for mandated programs under the budget act are therefore general funds, special funds, and federal funds.

The bulk of the \$672,751,556 in general funds went to three program areas: (1) social services, which received \$433,363,483; (2) health, which received \$120,709,521; and (3) lower education, which received \$102,389,278. Stated otherwise, the bulk of that \$672,751,556 in general funds went to three departments: (1) the Department of Human Services, which received \$435,620,455; (2) the Department of Health, which received \$122,106,461; and (3) the Department of Education, which received \$94,389,278.

The bulk of the \$182,642,269 in special funds went to the program area of employment, which received \$166,510,310. Stated otherwise, the bulk of that \$182,642,269 in special funds went to the Department of Labor and Industrial Relations, which received \$166,510,310.

The bulk of the \$583,031,060 in federal funds went to the program area of social services, which received \$487,893,013. Stated otherwise, the bulk of that \$583,031,060 in federal funds went to the Department of Human Services, which received \$483,569,241.

Three federal mandates account for seventy-five percent of all state funds appropriated under the budget act for compliance with federal mandates. The mandates, in decreasing order of state appropriations under the budget act, are: (1) Medicaid, Title XIX of the Social Security Act; (2) the Individuals with Disabilities Education Act, Public Law No. 102-119, including *Felix v. Waihee*, Oct. 25, 1994; and (3) Unemployment Compensation, Title III, Social Security Act.

Medicaid extends across five state program IDs, three program areas (health, social services, and government-wide support), and three departments (the Department of Health, the Department of Human Services, and the Department of the Attorney General). It was appropriated general funds, special funds, and interdepartmental transfers for a total of \$320,553,703 in state funds under the budget act.

The Individuals with Disabilities Education Act extends across nine different state program IDs, two program areas (health and lower education), and three departments (the Department of Health, the Department of Education, and the Department of Accounting and General Services). It was appropriated general funds, special funds, and interdepartmental transfers for a total of \$166,911,251 in state funds under the budget act.

Unemployment Compensation is located in one program ID, one program area (employment), and one department (the Department of Labor and Industrial Relations). It was appropriated special funds of \$166,510,310 under the budget act.

Lastly, a few state programs support former federal mandates. Former mandates are mandates which have been withdrawn or which have discontinued federal funding. The only ascertainable amount of state funding under the budget act is \$1,280,000 in special funds for the periodic motor vehicle inspection program.

## Endnotes

1. The state budget act recognizes a total of sixteen different means of financing. However, the other seven means of financing play no role in producing the grand total operating budget for fiscal year 1997-1998. Thus, sixteen means of financing exist in the state budget. Nine of them make up the grand total operating budget. Six of the nine are involved in funding federally mandated programs.
2. See Appendix C for a breakdown of the grand total operating budget by program area.

FEDERALLY MANDATED STATE PROGRAMS DURING FISCAL YEAR 1997-1998

3. The general funds for federally mandated programs in the Department of Human Services' budget equals the general funds for mandated programs in the social services program area less the general funds for mandated programs in ATG 500 (which is administered by the Department of the Attorney General in the social services program area), plus the general funds for mandated programs in HMS 802 (which is administered by the Department of Human Services in the employment program area):

|   |                  |  |
|---|------------------|--|
|   | \$433,363,483    | Social services area funds for mandated programs         |
|   | (1,396,334)      | ATG 500 social services funds for mandated programs      |
| + | <u>3,653,306</u> | HMS 802 employment funds for mandated programs           |
|   | \$435,620,455    | Department of Human Services funds for mandated programs |

4. The general funds for federally mandated programs in the Department of Health's budget equals the general funds for mandated programs in the health program area plus the general funds for mandated programs in both HTH 840 and HTH 849 (which are administered by the Department of Health in the employment program area):

|   |               |  |
|---|---------------|--|
|   | \$120,709,521 | Health area funds for mandated programs                      |
|   | 1,364,940     | HTH 840 environmental protection funds for mandated programs |
| + | <u>32,000</u> | HTH 849 environmental protection funds for mandated programs |
|   | \$122,106,461 | Department of Health funds for mandated programs             |

5. The general funds for federally mandated programs in the Department of Education's budget equals the general funds for mandated programs in the lower education program area less the general funds for mandated programs in AGS 808 (which is administered by the Department of Accounting and General Services in the lower education program area):

|   |                    |   |
|---|--------------------|---|
|   | \$102,389,278      | Lower education area funds for mandated programs    |
| + | <u>(8,000,000)</u> | AGS 808 lower education funds for mandated programs |
|   | \$ 94,389,278      | Department of Education funds for mandated programs |

6. The federal funds for federally mandated programs in the Department of Human Service's budget equals the federal funds for mandated programs in the social services program area less the federal funds for mandated programs in ATG 500 (which is administered by the Department of the Attorney General in the social services program area), plus the federal funds for mandated programs in HMS 802 (which is administered by the Department of Human Services in the employment program area):

|   |                  |  |
|---|------------------|--|
|   | \$487,893,013    | Social services area federal funds for mandated programs         |
|   | (12,438,663)     | ATG 500 social services federal funds for mandated programs      |
| + | <u>8,114,891</u> | HMS 802 employment federal funds for mandated programs           |
|   | \$483,569,241    | Department of Human Services federal funds for mandated programs |

7. The federal funds for federally mandated programs in the Department of Labor and Industrial Relations' budget equals the federal funds for mandated programs in the employment program area less the federal funds for mandated programs in HMS 802 (which is administered by the Department of the Human Services in the employment program area):

|   |                      |  |
|---|----------------------|--|
|   | \$43,112,918         | Employment area federal funds for mandated programs                              |
| + | <u>(\$8,114,891)</u> | HMS 802 federal funds for mandated programs                                      |
|   | \$34,998,027         | Department of Labor and Industrial Relations federal funds for mandated programs |

SUMMARY OF OPERATING FUNDS FOR FEDERALLY MANDATED PROGRAMS

8. The federal funds for federally mandated programs in the Department of Health's budget equals the federal funds for mandated programs in the health program area plus the federal funds for mandated programs in HTH 840 (which is administered by the Department of Health in the environmental protection program area). There were no federal funds for mandated programs reported in HTH 849 (which is also administered by the Department of Health in the environmental protection area):

|   |              |  |
|---|--------------|--|
|   | \$31,377,143 | Health area federal funds for mandated programs          |
|   | 3,112,716    | HTH 840 environmental protection funds                   |
| + | <u>0</u>     | HTH 849 environmental protection funds                   |
|   | \$34,489,859 | Department of Health federal funds for mandated programs |

9. See Appendix D for a breakdown of each department's total operating budget for fiscal year 1997-1998 by its means of financing.
10. *Federally Mandated State Programs During The Fiscal Biennium 1993-1995*, Report No. 1, 1995, Legislative Reference Bureau, at p. 15.

**Appendix A**

HOUSE OF REPRESENTATIVES  
NINETEENTH LEGISLATURE, 1997  
STATE OF HAWAII

H.R. NO. 195

HOUSE RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO UPDATE ITS  
SURVEY OF GOVERNMENT PROGRAMS IN THE STATE THAT ARE  
MANDATED BY THE FEDERAL GOVERNMENT.

1       WHEREAS, federal mandates that impose costs on the states  
2 are increasing at an alarming rate, in terms of frequency as  
3 well as cost; and  
4

5       WHEREAS, the explosion of federally-mandated programs  
6 began during the latter half of the 1980s when the federal  
7 government, struggling with new spending priorities and a  
8 rapidly expanding federal budget deficit, chose to require the  
9 states to finance, administer, and implement these new and  
10 costly responsibilities; and  
11

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

16       WHEREAS, these mandates included requiring states to  
17 enforce new standards for smog and acid rain reduction, enforce  
18 new transportation requirements for hazardous waste, expand  
19 state Medicaid coverage for certain households and individuals,  
20 and enforce driver's license revocation requirements for  
21 certain drug offenses; and  
22

23       WHEREAS, the 1991 Budget Reconciliation Act was another  
24 source of "hidden costs" to the states--where approximately  
25 \$13,300,000,000 in unfunded obligations have been passed on  
26 from the federal government to the states; and  
27

28       WHEREAS, in addition to these new mandates imposed on the  
29 states by the federal government, state governments must also  
30 contend with the never-ceasing problem of keeping pace with the  
31 current service requirements of ongoing federal-state programs  
32 that require state matching funds for federal grants; and  
33

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

HR195

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

7  
8       WHEREAS, due to the fact that a significant number of  
9 states are now facing serious budgetary problems, the current  
10 federal-state partnership arrangement for the administration of  
11 federally-mandated programs should be reexamined; and

12  
13       WHEREAS, a survey of programs mandated by the federal  
14 government but funded or partially funded by the State should  
15 be the first step in better understanding the magnitude of this  
16 situation; now, therefore,

17  
18       BE IT RESOLVED by the House of Representatives of the  
19 Nineteenth Legislature of the State of Hawaii, Regular Session  
20 of 1997, that the Legislative Reference Bureau is requested to  
21 update its survey of government programs in the State for  
22 fiscal year 1997-1998 that are:

- 23  
24       (1) Mandated by the federal government but funded by the  
25 State;  
26  
27       (2) Mandated by the federal government but require State  
28 matching funds;  
29  
30       (3) Funded or partially funded by federal funds but  
31 scheduled to have these federal funds reduced or  
32 discontinued; or  
33  
34       (4) No longer mandated, but continues to be supported by  
35 state funds;

36  
37 and

38  
39       BE IT FURTHER RESOLVED that the Legislative Reference  
40 Bureau is requested to submit the survey to the Legislature no  
41 later than twenty days prior to the convening of the Regular  
42 Session of 1998; and

43  
44       BE IT FURTHER RESOLVED that a certified copy of this  
45 Resolution be transmitted to the Acting Director of the  
46 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 H.R. No. 195, which directs the Legislative Reference Bureau to update its survey for fiscal year 1997-1998 of state government programs that are presently or formerly mandated by the federal government. The prior survey was distributed as Federally Mandated State Programs During the Fiscal Biennium 1993-1995, Legislative Reference Bureau, Report No. 1, 1995.

For purposes of this survey, please use the following definitions:

"State program", or "program", is defined in section 37-62, Hawaii Revised Statutes, relating to the state budget. It means a combination of resources and activities designed to achieve an objective or objectives.

"Federal mandate" means a federal statute, rule, or court order that your department may have previously identified as a federal mandate to the Governor's office or the Department of Budget and Finance. Otherwise, use the descriptions of the following three types of federal policy instruments in order to identify federal mandates in your department. The common thread of all three instruments is that they impose direct costs on the states and apparently prohibit the use of cost-effective alternatives:

- (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 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:

- (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 operating a program by decreasing state funds and by 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;
- (4) Crosscutting requirements, which are requirements that are imposed across the board on all or most federal assistance programs.

Lastly, please do not interpret a federal statute as being a mandate if the statute has been adopted as part of the state constitution. Also, please do not use the definition of a federal mandate found in the federal Unfunded Mandates Reform Act of 1995, P.L. 104-4, 109 Stat. 48.

6539A FED QUES

**Name of Department** \_\_\_\_\_

**Division** \_\_\_\_\_

**Name of Person Responsible for  
Completing Questionnaire** \_\_\_\_\_

**Title** \_\_\_\_\_

**Phone Number** \_\_\_\_\_

For each federally mandated state program administered by your department, please provide responses to questions (1) to (6):

- (1) The name of the state program mandated in whole or in part by the federal government. Identify the program ID in the General Appropriations Act of 1997, or the act number and session year if the program is not authorized in the General Appropriations Act of 1997.

If more than one federal mandate applies to the program, please separate your responses to the extent possible regarding each mandate, for questions (3) to (7).

- (2) The name of the federal mandate. Provide its official or popular name, and as much of its citation as possible. For statutes, cite the Public Law Number and the U.S. Code sections. For federal rules, cite the Code of Federal Regulations sections. For federal court orders or decrees, cite the docket number and year.
- (3) Description of the mandate. Explain what the mandate requires of the State. Discuss whether the mandate is a direct mandate, a partial preemption statute, a grant-in-aid condition on spending and administration, a combination of the three, or some other federal instrument. For grants-in-aid, identify both the grant conditions and the reasons why the State cannot easily withdraw from the program, which together convert the grant into a mandate. Further indicate whether the grant is a block or a categorical grant.
- (4) Sanctions and penalties for noncompliance. Describe the consequences to the State if the State neither complies with the federal mandate nor participates in the federal program. Discuss fines, loss of jurisdiction, or loss of federal funds. Identify the federal program in which the federal funds will be lost.
- (5) Operating funds appropriated for fiscal year 1997-1998. Provide a breakdown between State funds and federal funds appropriated to fulfill the mandate. Identify the means of financing ("MOF"). If any of the funds were appropriated by an act other than the General Appropriations Act of 1997, please identify the act by act number and session year.

*SUMMARY OF OPERATING FUNDS FOR FEDERALLY MANDATED PROGRAMS*

| <u>Operating funds</u>  | <u>FY 1997-1998</u> |
|-------------------------|---------------------|
| State                   |                     |
| General fund A          | -----               |
| Special funds B         | -----               |
| Other (specify) _____   | -----               |
| Subtotal                | -----               |
| Federal                 |                     |
| Other federal funds N   | -----               |
| Block grants            | -----               |
| Categorical grants      | -----               |
| Other (specify) _____   | -----               |
| Total State and Federal | -----               |

Discuss whether federal funds are scheduled to be reduced, discontinued, or capped after fiscal year 1997-1998. If reductions, discontinuances, or caps are scheduled, discuss further whether the State may correspondingly reduce, discontinue, or cap State funding of the mandate.

Discuss whether federal funds are scheduled to be increased after fiscal year 1997-1998. If an increase is scheduled, discuss further whether the State is expected or required to correspondingly increase State funding of the mandate.

- (6) Identify other program IDs in your own department and other departments that must comply with the federal mandate.

For each formerly mandated program still supported by state funds and administered by your department, please provide responses to question (7):

- (7) Formerly mandated programs. Identify any program in your department and division which was appropriated State operating funds in fiscal year 1997-1998 to support a federal mandate which no longer exists. Identify the former federal mandate, including its name, its citation, its repeal or termination date, and a description of what the mandate formerly required of the State. Provide reasons why the federal law is no longer deemed a mandate. Indicate whether federal funds are still being provided.

For the purposes of this question, a former mandate also includes an existing federal statute which is no longer authorized to provide federal funds to the states and an

existing federal statute which is still authorized to provide funds but no longer appropriates them.

Provide state and federal funding figures and information of the type requested in question (5).

Identify other program IDs in your own department and other departments that implement the former federal mandate.

- (8) Lastly, please feel free to make any other comments or remarks that relate to the matters concerned in the Resolution that you feel should be pointed out to the Legislature.

**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 15, 1997.**

**THANK YOU FOR YOUR ASSISTANCE IN THIS MATTER.**

6539A FED QUES

## Appendix C

### PROGRAM AREA OPERATING BUDGETS FOR FISCAL YEAR 1997-1998

#### MEANS OF FINANCING ("MOF")

|   | A                          | B                           | N                         | R                  | S                | T                | U                       | W                   | X              | Area Budget  |                        |                              |                          |
|---|----------------------------|-----------------------------|---------------------------|--------------------|------------------|------------------|-------------------------|---------------------|----------------|--------------|------------------------|------------------------------|--------------------------|
| P<br>R<br>O<br>G<br>R<br>A<br>M<br>A<br>R<br>E<br>A | ECON. DEV.<br>EMPLOY.      | 56,089,729<br>20,929,799    | 49,769,260<br>197,693     | 5,037,975<br>937   | 0<br>0           | 0<br>61,337,515  | 540<br>0                | 0<br>0              | 0<br>1,195,371 | 857<br>0     | 13,089,635<br>0        | 124,781,456<br>282,206,622   |                          |
|   | TRANS.<br>ENVIRON.         | 0<br>17                     | 464,629,331<br>801,377    | 1,506,735<br>0     | 0<br>9,610,106   | 0<br>8,570,929   | 0<br>0                  | 0<br>0              | 0<br>1,862,690 | 0<br>0       | 466<br>48,042,172      | 136<br>84,024,584            |                          |
|   | HEALTH<br>SOC. SERV.       | 246,389,929<br>556,871,953  | 216,097,527<br>12,000,000 | 76,352,084<br>783  | 570,919,888<br>0 | 0<br>0           | 8,277,445<br>18,071,967 | 0<br>0              | 0<br>0         | 0<br>0       | 0<br>679               | 540,702,230<br>1,170,937,715 |                          |
|   | ED - Lower<br>ED - Higher  | 783,143,409<br>272,505,714  | 0<br>98,539,486           | 913<br>9,804,804   | 749<br>0         | 0<br>0           | 118,404,803<br>0        | 0<br>0              | 0<br>112,136   | 0<br>0       | 2,274,000<br>1,932,939 | 936,094,972<br>492,986,339   |                          |
|   | CUL. N. REC.<br>PUB. SFTY. | 12,016,101<br>122,584,898   | 21,376,454<br>0           | 2,996,313<br>8,112 | 0<br>0           | 15,000<br>87,000 | 0<br>0                  | 0<br>25,061,318,908 | 0<br>936,213   | 0<br>742,980 | 4,606,591<br>0         | 41,010,459<br>144,807,923    |                          |
|   | IND. RTS.<br>GOV. W. SUP   | 13,271,136<br>1,006,322,810 | 235,669,999<br>7,002,927  | 0<br>7,185,603     | 0<br>0           | 1<br>375,116,000 | 952<br>18               | 852<br>7            | 2,000,577<br>1 | 367,000<br>6 | 153<br>2               | 373<br>9                     | 722,000<br>1,452,516,199 |
|   | MOFTotal                   | 3,107,926,855               | 1,127,562,559             | 870,229,508        | 15,000           | 87,000           | 388,871,434             | 45,925,728          | 233,169,341    | 8,661,087    | 5,792,448,512          |                              |                          |

Grand Total Operating Budget

#### MEANS OF FINANCING ("MOF"):

- A General fund
- 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

## Appendix D

### DEPARTMENT OPERATING BUDGETS FOR FISCAL YEAR 19974998

#### MEANS OF FINANCING ("MOF")

D  
E  
P  
A  
R  
T  
M  
E  
N  
T

|                   | A                    | B                    | N                  | R             | S             | T                  | U                 | W                  | X                | Dept. Budget         |
|-------------------|----------------------|----------------------|--------------------|---------------|---------------|--------------------|-------------------|--------------------|------------------|----------------------|
| AGR               | 13,931,777           | 1,332,848            | 741,934            | 0             | 0             | 540,000            | 254,857           | 6,677,926          | 0                | 23,479,342           |
| AGS               | 114,914,868          | 9,014,280            | 682,405            | 15,000        | 0             | 0                  | 8,850,131         | 27,565,649         | 0                | 161,042,333          |
| ATG               | 205,026,49           | 280,229              | 21,504,266         | 0             | 0             | 5,742,620          | 5,147,592         | 3,627,522          | 0                | 56,804,878           |
| BED               | 41,709,251           | 51,436,412           | 4,003,326          | 0             | 0             | 0                  | 0                 | 6,551,709          | 0                | 103,700,698          |
| BUF               | 893,743,474          | 12,792,589           | 8,356,970          | 0             | 0             | 377,450,825        | 5,525             | 0                  | 7,195,887        | 1,299,545,270        |
| CCA               | 5,570,455            | 17,782,853           | 0                  | 0             | 0             | 1,952,852          | 2,433,599         | 8,259,964          | 722,220          | 36,721,943           |
| DEF               | 8,099,138            | 0                    | 6,042,969          | 0             | 0             | 0                  | 0                 | 0                  | 0                | 14,142,107           |
| EDN               | 728,587,817          | 26,913,749           | 118,404,803        | 0             | 0             | 2,960,072          | 1,932,939         | 2,740,000          | 0                | 881,539,380          |
| GOV               | 3,795,774            | 0                    | 0                  | 0             | 0             | 0                  | 0                 | 0                  | 0                | 3,795,774            |
| <b>11,493,016</b> | <b>5,254,340</b>     | <b>0</b>             | <b>0</b>           | <b>0</b>      | <b>0</b>      | <b>0</b>           | <b>0</b>          | <b>0</b>           | <b>0</b>         | <b>16,747,356</b>    |
| HMS               | 555,859,658          | 100,000              | 558,239,146        | 0             | 0             | 0                  | 18,071,967        | 5,483,679          | 0                | 1,123,453,420        |
| HRD               | 16,100,265           | 0                    | 0                  | 0             | 0             | 0                  | 4,708,381         | 415,694            | 0                | 21,224,340           |
| HTH               | 250,453,927          | 222,294,029          | 82,002,946         | 0             | 0             | 0                  | 1,862,690         | 47,780,512         | 0                | 604,394,104          |
| LBR               | 17,276,493           | 197,693,937          | 53,222,624         | 0             | 0             | 0                  | 1,195,371         | 0                  | 0                | 269,388,425          |
| LNR               | 27,489,211           | 17,779,787           | 5,686,690          | 0             | 0             | 0                  | 143,768           | 621,660            | 0                | 51,721,116           |
| LTG               | 3,415,507            | 0                    | 0                  | 0             | 0             | 200,000            | 0                 | 0                  | 0                | 3,615,507            |
| PSD               | 113,856,876          | 0                    | 29,890             | 0             | 87,000        | 25,065             | 1,318,908         | 11,308,691         | 742,980          | 127,369,410          |
| TAX               | 16,621,934           | 0                    | 0                  | 0             | 0             | 0                  | 0                 | 0                  | 0                | 16,621,934           |
| TRN               | 0                    | 464,629,331          | 1,506,735          | 0             | 0             | 0                  | 0                 | 0                  | 0                | 466,136,066          |
| UOH               | 273,004,765          | 100,258,175          | 9,804,804          | 0             | 0             | 0                  | 0                 | 112,136,335        | 0                | 495,204,079          |
| <b>Total</b>      | <b>3,106,426,855</b> | <b>1,127,562,559</b> | <b>870,229,508</b> | <b>15,000</b> | <b>87,000</b> | <b>388,871,434</b> | <b>45,925,728</b> | <b>233,169,341</b> | <b>8,661,087</b> | <b>5,780,948,512</b> |

Department-Wide Operating Budget

|              |                      |                      |                    |               |               |                    |                   |                    |                  |                      |
|--------------|----------------------|----------------------|--------------------|---------------|---------------|--------------------|-------------------|--------------------|------------------|----------------------|
| SUB          | 1,500,000            | 0                    | 0                  | 0             | 0             | 0                  | 0                 | 0                  | 0                | 1,500,000            |
| <b>Total</b> | <b>3,107,926,855</b> | <b>1,127,562,559</b> | <b>870,229,508</b> | <b>15,000</b> | <b>87,000</b> | <b>388,871,434</b> | <b>45,925,728</b> | <b>233,169,341</b> | <b>8,661,087</b> | <b>5,782,448,512</b> |

Grand Total Operating Budget