



STATE OF HAWAII
DEPARTMENT OF HEALTH
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WRITTEN ONLY

Testimony COMMENTING on SB 1297

Relating to Disposition of Tax Revenues

SENATOR JILL TOKUDA, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date: February 17, 2015 9:00am Room Number: 211

1 **Fiscal Implications:** Effective July 1, 2015, sets the maximum amount of cigarette tax
2 distribution to the credit of the trauma system special fund ("TSSF") at not more than
3 \$10,600,000 in a fiscal year and sets the maximum amount of cigarette tax distribution to the
4 credit of the emergency medical services special fund ("EMSSF") at not more than \$8,800,000 in
5 a fiscal year.

6 **Department Testimony:** The Department respectfully defers to the Governor's Executive
7 Budget request for the Department of Health's appropriations and personnel priorities.

8 This measure seeks to set a maximum limit on the revenue from the cigarette tax deposited to the
9 credit of the TSSF and EMSF, beginning in fiscal year 2016.

10 The Department recognizes the legislature's intention to make forecasts of general fund revenues
11 more reliable; increase legislative oversight of the agencies and programs supported by the non-
12 general funds; to subject agencies and programs to competition for limited public funds; and to
13 promote budgetary planning and transparency. The Department shares common goals in this
14 matter with the legislature. If the proposed limitation of tax distribution is implemented for the
15 EMSF in fiscal year 2016, the Department is projecting a potential shortfall in EMSF at the
16 end of fiscal year 2017 to fund the current ambulance services across the state that are projected
17 to continue in fiscal year 2018 and beyond.

- 1 The Department projects that this measure will have a potential negative impact on continuing
- 2 existing emergency medical services, funded with EMSSF, at the beginning of fiscal year 2018
- 3 and beyond.

- 4 Revenue in the trauma system special fund is utilized to provide support for continuing
- 5 development and operation of a comprehensive state trauma system to ensure the availability of
- 6 care for trauma patients in the state. The use of the funds include expenditures for cost to staff
- 7 and operate the State's injury prevention program. If the proposed limitation of tax distribution
- 8 is implemented for the TSSF, it may have a potential negative impact on providing care to
- 9 trauma patients.

- 10 Thank you for the opportunity to testify.