

STAND. COM. REP. NO.

615

Honolulu, Hawaii

MAR 04 2011

RE: S.B. No. 120
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 120 entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal certain special funds and transfer their balances to the general fund.

Your Committee received testimony in support of this measure from five individuals.

Your Committee received testimony in opposition to this measure from Tom Mick, Policy and Planning Department Director, the Judiciary; MRC Greenwood, President, University of Hawaii; Virginia S. Hinshaw, Chancellor, University of Hawaii at Manoa; James J. Donovan III, Director of Athletics, University of Hawaii at Manoa; the Hawaii State Public Library System; Richard Lim, Interim Director, Department of Business, Economic Development, and Tourism; Mary Lou Kobayashi, Planning Program Administrator, Department of Business, Economic Development, and Tourism; Jodie Maesaka-Hirata, Interim Director, Department of Public Safety; Dwight Takamine, Director, Department of Labor and Industrial Relations; William J. Aila, Jr., Chairperson, Department of Land and Natural Resources; Patricia McManaman, Interim Director, Department of Human Services; Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Jeffery T. Ono, Executive Director, Division of Consumer Advocacy, Department of Commerce and Consumer Affairs; Loretta J. Fuddy,

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A.C.S.W., M.P.H., Acting Director of Health, Department of Health; the State Health Planning and Development Agency; Bruce A. Coppa, Comptroller, Department of Accounting and General Services; Russell S. Kokubun, Chairperson, Department of Agriculture; Gary Hooser, Interim Director, Office of Environmental Quality Control; Mike McCartney, President and Chief Executive Officer, Hawaii Tourism Authority; Karen Seddon, Hawaii Housing Finance and Development Corporation; Terry Lynn Holck, Chairperson, Hawaii Teacher Standards Board; Anthony J.H. Ching, Executive Director, Hawaii Community Development Authority; Denise M. Wise, Hawaii Public Housing Authority; Scott L. Chan, Stadium Manager, Aloha Stadium; Ronald Yamakawa, Executive Director, State Foundation on Culture and the Arts; Tommy Johnson, Paroles and Pardons Administrator, Hawaii Paroling Authority; Carlito P. Caliboso, Chairman, Public Utilities Commission, Department of Budget and Finance; Gordon J. Bruce, Director and Chief Information Officer, Department of Information Technology, City and County of Honolulu; Department of the Prosecuting Attorney, City and County of Honolulu; Robert D. Rivera, Esq., Deputy Prosecuting Attorney, Department of Prosecuting Attorney, County of Maui; Lena Lorenzo, Director, Victim/Witness Assistance Division, Maui County; Paula Ann Heiskell, Victim/Witness Assistance Division, Maui County; Gerald M. Problete, Victim/Witness Assistance Division, Maui County; Janet Crotteau, Major, Communications Division, Police Department, City and County of Honolulu; Harry S. Kubojiri, Police Chief, Hawaii County Police Department; Mark Begley, Acting Chief of Police, Police Department, County of Kauai; Wesley L.K.M. Lim, Chair, Board of Certification of Operating Personnel in Wastewater Treatment Plants; the University of Hawaii Foundation; Douglas Inouye, President, University of Hawaii Alumni Association; Devika Wassob, Chair, University of Hawaii, Manoa, Board of Publications; Elizabeth K. Tam, Chair, Tobacco Prevention and Control Trust Fund Advisory Board; Pamela Ferguson-Brey, Executive Director, Crime Victim Compensation Commission; Karl Fooks, President, Hawaii Strategic Development Corporation; Yuka Nagashima, Executive Director and CEO, High Technology Development Corporation; Hawaii Government Employees Association; Jackie Young, Ph.D., American Cancer Society; Sharlene Tsuda, Community Development, Queen's Health Systems; Cynthia Kamikawa, Nursing Queen's Medical Center; Dr. Cherylee Chang, Medical Director, Queen's Medical Center; Art Gladstone, Chief Nurse Executive, Straub Clinic; Beth Giesting, CEO, Hawaii Primary Care Association; George Greene, Healthcare Association of Hawaii; The Nature Conservancy; Kiersten Faulker, Executive Director, Historic Hawaii Foundation; Donald B. Weisman,



Hawaii Advocacy Director, American Heart Association; Gail P. Tiwanak, MBA, Director, Hawaii State Center for Nursing; Desiree Puhii, Executive Director, Molokai Community Center; Ho'ola Lahui Hawaii; David Derauf, Executive Director, Kokua Kalihi Valley Comprehensive Family Services; Cheryl Vasconcellos, Executive Director, Hana Health; Debbie Odo, American Lung Association; Valerie Chang, Executive Director, Hawaii Chronic Obstructive Pulmonary Disease Coalition; Yvonne Geesey, Hawaii Association of Professional Nurses; Yvonne Geesey, Academy of Nurse Practitioners; Sara L. Collins, Legislative Chair, Society for Hawaiian Archaeology; Shannon Wood, President, Windward Ahupua'a Alliance; the Institute for Human Services; Beverly Zigmond, Lanai Community Health Center; Hardy Spoehr, Executive Director, Papa Ola Lokahi; Laura Novell, Board Chair, Lana'i Community Health Center; May Akamine, Executive Director, Waimanalo Health Center; Kathy Conner, Board of Directors, Waimanalo Health Center; Kathy Kravish, Chief Financial Officer, Waimanalo Health Center; Namaka Whitehead, Kamehameha Schools; Christy Inda, Director of Preventative Health, Waianae Coast Comprehensive Health Center; Jay Ihara, Director of Operations, Boys and Girls Club Big Island; David Nakada, Executive Director, Boys and Girls Club of Hawaii; Marjorie Ziegler, Conservation Council for Hawaii; Beth Davidann, Director, Castle Center; Christy Martin, Coordinating Group on Alien Pest Species; David Derauf, Executive Director, Kokua Kalihi Valley Comprehensive Family Services; Paul Strauss, CEO, Bay Clinic Family Health Centers; Board of Directors, Bay Clinic Inc.; Robert D. Harris, Director, Hawaii Chapter of the Sierra Club; Christopher N. Brosius, Watershed Coordinator, West Maui Mountains Watershed Partnership; Suzann C. Filleul, Regional Nurse Executive, Kaiser Permanente Hawaii; Cheryl Johnson, Teen program Director, Parents And Children Together; Dana Alonzo-Howeth, Executive Director, Malama I Ke Ola Health Center; Lucille Calderon, Administrator, Child and Family Service Kauai; Cara Sadira, CEO, Rising Up, Inc.; Michael M. Kilks, President, Beekeepers' Association; Veronika Geronimo, Hawaii State Coalition Against Domestic Violence; Paula Arcena, Director of Public Policy, Aloha Care; Trisha Y. Nakamura, Policy and Advocacy Director, Coalition for a Tobacco Free Hawaii; Ryan Churchill, President & COO, Maui Land & Pineapple Company, Inc.; Susan B. Hunt, MHA, Chief Executive Officer, Hamakua Health Center, Inc.; Gail Breakey, Executive Director, Hawaii Family Support Institute; Andrew Itsuno, President, Associated Students of the University of Hawaii; Maui Invasive Species Committee; Nanci Kreidman, M.A., Domestic Violence Action Center; Blue Planet Foundation; Maria Holmes, Coffees of Hawaii; Andrea Buckman, Leeward Haleakala



Watershed Restoration Partnership; Christine Fukui, M.D., COPD Coalition, Board of Directors; and four hundred and eighty-eight individuals.

Your Committee received comments on this measure from Kalbert K. Young, Interim Director, Department of Budget and Finance; Charlotte Carter-Yamauchi, Director, Legislative Reference Bureau; David M. Louie, Attorney General, Department of the Attorney General; Kathryn S. Matayoshi, Superintendent of Education, Department of Education; John D. Kim, Acting Prosecuting Attorney, Maui County; Tax Foundation of Hawaii; Wil Okabe, President, Hawaii State Teachers Association; Glen Hayashida, CEO, National Kidney Foundation of Hawaii; and three individuals.

After the public hearing, your Committee amended the measure by deleting its contents and replacing it with a proposed Senate Draft 1 that:

- (1) Transfers moneys in expired non-general funds to the general fund;
- (2) Repeals certain special funds and revolving funds of the University of Hawaii and converts other revolving funds of the University of Hawaii into special funds;
- (3) Transfers excess balances in certain non-general funds to the general fund; and
- (4) Repeals certain special funds and revolving funds of the State and transfers their unencumbered remaining balances to the general fund.

Prior to holding public decision making, your Committee accepted comments on the proposed Senate Draft 1.

Your Committee received comments in opposition to the proposed Senate Draft 1 from Richard C. Lim, Interim Director, Department of Business, Economic Development and Tourism; Gordon Ito, State Insurance Commissioner, Department of Commerce and Consumer Affairs; Department of Transportation; Nanci Kreidman, M.A., Domestic Violence Action Center; and thirty-five individuals.

Your Committee received comments on the proposed Senate Draft 1 from Howard Todo, Vice President for Budget and Finance/CFO,



University of Hawaii; Karen Seddon, Hawaii Housing Finance and Development Corporation, Department of Business, Economic Development and Tourism; Tax Foundation of Hawaii; and Donald B. Weisman, Hawaii Government Affairs Director, American Heart/Stroke Association.

Your Committee finds that the State has a myriad of special funds and revolving funds, and it is prudent fiscal practice to eliminate those funds whose existence no longer continues to be appropriate or warranted.

Your Committee has amended the proposed Senate Draft 1 version of this measure by:

- (1) Deleting the following funds from those to be repealed:
 - (A) The fee simple residential revolving fund; and
 - (B) The University of Hawaii student activities revolving fund;
- (2) Repealing the following additional funds:
 - (A) The interagency federal revenue maximization revolving fund; and
 - (B) The long-term care benefits fund;
- (3) Specifying that the moneys in the rental assistance revolving fund that were appropriated for the Waialua loan subsidy program are the moneys to be transferred to the general fund;
- (4) Specifying that the moneys in the University of Hawaii faculty housing project series 1995 bond proceed special fund, not the rental housing assistance fund, are the moneys from which the excess balance is being transferred to the general fund;
- (5) Removing the transfer of the excess balances from the travel agency recovery fund and the travel agency education fund in order to avoid inconsistencies with the rest of the measure;



- (6) Changing to unspecified amounts the sums of the excess moneys transferred from the non-general funds to the general fund;
- (7) Adding or deleting conforming amendments, as appropriate;
- (8) Changing the effective date to July 1, 2050, in order to facilitate continued discussion on the matter; and
- (9) Making technical nonsubstantive amendments for the purposes of clarity and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 120, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 120, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,



DAVID Y. IGE, Chair



The Senate
Twenty-Sixth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 120	Committee Referral: WAM	Date: 3-1-11		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.	/			
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam	/			
TOTAL	14	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:center; font-family: cursive; font-size: 1.2em;">Michelle N. Kidani</div>				
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*Only one measure per Record of Votes