

STAND. COM. REP. NO. 1533

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 101
S.D. 1
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 101, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE BUDGET,"

begs leave to report as follows:

The purpose of this measure is to correct technical errors in Act 122, Session Laws of Hawaii 2014, known as the Supplemental Appropriations Act of 2014.

For the purposes of a public hearing on this bill, your Committee circulated a proposed S.B. No. 101, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the Proposed Draft. The Proposed Draft, among other things:

- (1) Amends the allocation amounts from the Hawaii Tobacco Settlement Special Fund by:
 - (A) Removing the requirement that the first \$350,000 of tobacco settlement moneys received by the State in each fiscal year be deposited in the state treasury to the credit of the tobacco enforcement special fund;



- (B) Removing the 25 percent allocation to the Department of Health for further distribution to the Children's Health Insurance Program (CHIP) and Health Promotion and Disease Prevention Programs; and
 - (C) Providing that any remaining amounts, instead of 25.5 percent, be deposited to the credit of the state general fund; and
- (2) Makes the following appropriations:
- (A) \$4,716,750 for each year of fiscal biennium 2015-2017 for health care payments for operating expenses of CHIP; and
 - (B) \$6,363,263 for fiscal year 2015-2016 and \$6,446,158 for fiscal year 2016-2017 for chronic disease prevention and health promotion for tobacco prevention and cessation operating expenses.

The Hawaii Early Intervention Coordinating Council and a concerned individual provided testimony in support of this measure. Parents and Children Together and a few individuals opposed this measure. The Department of the Attorney General, Department of Health, University of Hawaii, University of Hawaii-Hawaii Family Support Institute, The Queen's Health Systems, Hawaii Pacific Health, Catholic Charities Hawaii, Child & Family Service, American Heart Association, PHOCUSED, YWCA of Hawaii Island, Keiki O Ka 'Aina, American Lung Association, Coalition for a Tobacco Free Hawaii, Maui Family Support Services, Inc., and two individuals provided comments on this measure.

Upon careful consideration of the merits of both S.B. No. 101 S.D. 1, as received by your Committee, and the Proposed Draft, your Committee has amended this measure to adopt the Proposed Draft with the following additional amendments:

- (1) Reinstating the requirement that the first \$350,000 of tobacco settlement moneys received by the State in each fiscal year be deposited to the credit of the tobacco enforcement special fund;
- (2) Amending the allocation of tobacco settlement moneys to the Hawaii Tobacco Settlement Special Fund as follows:



- (A) 12.5 percent to the Hawaii Tobacco Prevention and Control Trust Fund; and
 - (B) 26 percent to the University Revenue-Undertakings Fund;
- (3) Clarifying that the appropriation for chronic disease prevention and health promotion is for tobacco prevention, nutrition, physical activity, and chronic disease related programs;
 - (4) Appropriating \$3,000,000 for each year of fiscal biennium 2015-2017 for the Hawaii Home Visiting Network program, which will be matched with \$9,000,000 in federal funds; and
 - (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 101, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 101, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



SYLVIA LUKE, Chair



