

STAND. COM. REP. NO.

959

Honolulu, Hawaii

MAR 05 , 2021

RE: H.B. No. 1297
H.D. 2

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B.
No. 1297, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Make certain special funds subject to the five percent deduction into the general fund for central service expenses;
- (2) Repeal the Community Health Centers Special Fund and Emergency Medical Services Special Fund;
- (3) Transfer to the credit of the general fund any amounts allocated to the Community Health Centers Special Fund and Emergency Medical Services Special Fund, including amounts allocated to those funds from the cigarette tax and tobacco tax;
- (4) Transfer to the credit of the general fund surcharges and cigarette tax revenue allocated to the Trauma System Special Fund; and



- (5) Make a general fund appropriation to the Department of Health for operating expenses.

Your Committee received testimony in support of this measure from the Center for Hawaiian Sovereignty Studies. Your Committee received testimony in opposition to this measure from the Department of Land and Natural Resources; Department of Education; Department of Budget and Finance; Department of Public Safety; Department of Transportation; Department of Defense; Office of Enterprise Technology Services; University of Hawai'i System; Board of Trustees of the Employees' Retirement System; Hawaii Health Systems Corporation; Statewide Automated Victim Information and Notification Governance Committee of the Crime Victim Compensation Commission; Hawai'i Tourism Authority; Hana Health; Hawaii Substance Abuse Coalition; Hawaii Disability Rights Center; PHOCUSED; Hawaii Primary Care Association; Reynolds Recycling, Inc.; American Cancer Society Cancer Action Network; Iron Workers Stabilization Fund; The Queen's Health Systems; Enterprise Holdings; Hawai'i Pacific Health; Waianae Coast Comprehensive Health Center; Hope Services; International Longshore & Warehouse Union Local 142; United Food and Commercial Workers Union, Local 480; and five individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Department of the Attorney General, Department of Taxation, Department of Human Services, Department of Health, Catholic Charities Hawai'i, Tax Foundation of Hawaii, and Healthcare Association of Hawaii.

Your Committee has amended this measure by:

- (1) Requiring that by October 1 of each year, each department shall submit program measures, cost elements, and accounting reports for all non-general funds to the Legislature;
- (2) Providing that the State Educational Facilities Improvement Special Fund, Convention Center Enterprise Special Fund, Tourism Special Fund, Trauma System Special Fund, and Emergency Medical Services Special Fund shall be subject to the five percent deduction into the general fund for central service expenses;
- (3) Specifying that the cigarette tax revenues deposited to the credit of the Hawaii Cancer Research Special Fund

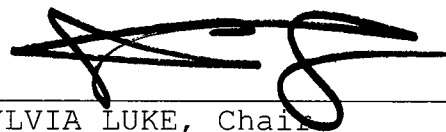


shall only be used for capital expenditures and only until July 1, 2041;

- (4) Retaining the surcharges and cigarette tax revenue allocated to the Trauma Systems Special Fund and Community Health Centers Special Fund;
- (5) Retaining the Community Health Centers Special Fund and Emergency Medical Services Special Fund;
- (6) Removing the blank appropriation to the Department of Health for operating expenses; and
- (7) Making technical, nonsubstantive amendments for the purposes of 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 H.B. No. 1297, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1297, H.D. 2.

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



SYLVIA LUKE, Chair



