

STAND. COM. REP. NO.

745

Honolulu, Hawaii

FEB 17 , 2021

RE: H.B. No. 1297  
H.D. 1

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

Sir:

Your Committee on Health, Human Services, & Homelessness, to which was referred H.B. No. 1297 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 all 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 general fund any amounts allocated to the Community Health Centers Special Fund and Emergency Medical Services Special Fund, including amounts from the cigarette tax and tobacco tax;
- (4) Transfer to the credit of the general fund certain surcharges allocated to the Trauma System Special Fund and any amounts allocated to the Trauma System Special Fund from the cigarette tax and tobacco tax; and

2021-1641 HB1297 HD1 HSCR HMSO



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

Your Committee received testimony in opposition to this measure from the Department of Transportation, Department of Land and Natural Resources, Department of Human Services, University of Hawaii System, Hawaii Tourism Authority, Employees' Retirement System Board of Trustees, Hawaii Emergency Management Agency, Hawaii Health Systems Corporation, Reynolds Recycling, Kula Hospital, Lanai Community Hospital, Hana Health, Ho'ola Lahui Hawaii, Kokua Kalihi Valley, Hawaii Primary Care Association, Lanai Community Health Center, Waianae Coast Comprehensive Health Center, Healthcare Association of Hawaii, American Cancer Society Cancer Action Network, Queen's Health Systems, Hawaii Pacific Health, and three individuals. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs, Department of the Attorney General, Department of Education, Department of Taxation, Department of Budget and Finance, and Department of Health.

Your Committee finds that requiring most special funds to be subject to the five percent deduction into the general fund for central services expenses; abolishing the Community Health Centers Special Fund and Emergency Medical Services Special Fund; and transferring certain allocations and surcharges from the Community Health Centers Special Fund, Emergency Medical Services Special Fund, and Trauma System Special Fund will meaningfully assist the State in carrying out its core functions and assist in the State's recovery from the economic harm caused by the COVID-19 pandemic.

Your Committee has amended this measure by:

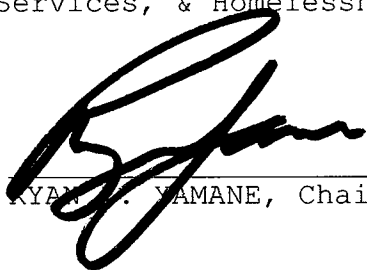
- (1) Restoring the exemption from the five percent deduction into the general fund for central services expenses for the:
- (A) Center for Nursing Special Fund;
  - (B) Passenger Facility Charge Special Fund;
  - (C) Hospital Sustainability Program Special Fund; and
  - (D) Nursing Facility Sustainability Program Special Fund; and



- (2) 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 Health, Human Services, & Homelessness that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1297, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1297, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Health, Human  
Services, & Homelessness,



---

RYAN J. YAMANE, Chair



State of Hawaii  
House of Representatives  
The Thirty-first Legislature

HSC2 345

**Record of Votes of the Committee on Health, Human Services, & Homelessness**

| Bill/Resolution No.:<br><span style="font-size: 1.2em;">HB 1297</span>  | Committee Referral:<br><span style="font-size: 1.2em;">HHH, FIN</span> | Date:<br><span style="font-size: 1.2em;">02/11/2021</span> |      |         |
|---|--|--|------|---------|
| <input type="checkbox"/> The committee is reconsidering its previous decision on the measure.   |  |  |      |         |
| The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold<br><input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit) |  |  |      |         |
| HHH Members   | Ayes   | Ayes (WR)  | Nays | Excused |
| 1. YAMANE, Ryan I. (C)  | ✓  |  |      |         |
| 2. TAM, Adrian K. (VC)  | ✓  |  |      |         |
| 3. GATES, Cedric Asuega   | ✓  |  |      |         |
| 4. HAR, Sharon E.   |  | ✓  |      |         |
| 5. KAPELA, Jeanne   |  | ✓  |      |         |
| 6. LoPRESTI, Matthew S.   |  |  |      | ✓       |
| 7. NISHIMOTO, Scott Y.  | ✓  |  |      |         |
| 8. WARD, Gene   | ✓  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
|   |  |  |      |         |
| <b>TOTAL (8)</b>  | 5  | 2  | 0    | 1       |
| The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted<br>If joint referral, _____ did not support recommendation.<br><div style="text-align: center; font-size: 0.8em;">committee acronym(s)</div>                              |  |  |      |         |
| Vice Chair's or designee's signature: _____<br>   |  |  |      |         |
| <b>Distribution:</b> Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO   |  |  |      |         |