



HAWAII COMMUNITY FOUNDATION

February 5, 2010

The Honorable David Ige, Chairman
Senate Committee on Health
State Capitol
Honolulu, Hawaii 96813

Dear Chairman Ige and Committee Members:

SB 2604 Relating to the Hawaii Tobacco Settlement Special Fund

The Hawaii Community Foundation (HCF), which has managed the Tobacco Prevention and Control Trust Fund for the Department of Health (DOH) since 2000, opposes SB 2604. The bill alters the relationship between the Tobacco Trust Fund Advisory Board and DOH and between DOH and HCF without any clear benefit and diffuses, rather than clarifies, the line of authority, responsibility, and accountability.

Under its contract with the DOH, HCF is responsible for the:

- Management and investment oversight of the Trust Fund, including development of an annual budget, and
- Distribution of Trust Fund dollars through community-based grants and support for other programs that continue Hawaii's comprehensive tobacco prevention and control efforts.

The bill inserts an appointed Advisory Board into budgetary decisions that are inconsistent with their advisory role and inconsistent with the contractual obligations between DOH and HCF. It also opens the door to potential conflicts of interest in the community grants program by allowing the Advisory Board to direct and specify expenditures from the Trust Fund disrupting the independence of the competitive process. Finally, it is important to note that the Advisory Board currently has responsibility for development of a long-term, statewide strategic plan. SB 2604 would expand the scope of this strategic plan to include operational control such as approval or disapproval of expenditures. This provision is unworkable as there are ongoing and frequent expenditures from HCF and the Trust Fund to support programs and statewide efforts.

HCF recognizes and appreciates the valuable service the Tobacco Prevention and Control Advisory Board provides, especially in setting the blueprint for continuation of Hawaii's tobacco control efforts. The current structure outlining authority, responsibility, and accountability between DOH, HCF, and the Advisory Board does not appear to be broken or require legislative intervention. We urge you to support the Advisory Board's current role and to resist efforts that could ultimately wind up disrupting contractual responsibilities, cause greater confusion and reduced accountability, and allow for the possibility of conflicts of interest where currently none exist.

Respectfully submitted,

Jennifer Schember-Lang
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Sr. Program Officer