



TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 190, PROPOSED S.D. 1

FEBRUARY 6, 2013

RELATING TO STATE FUNDS

Senate Bill No. 190, Proposed S.D. 1, amends the criteria to establish new special or revolving funds to clarify that a special or revolving fund to be established or continued shall reflect a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or between the program and the sources of revenue. This bill also requires the auditor to review special funds, in addition to revolving and trust funds, every five years based on specified departmental groupings.

The Department of Budget and Finance supports this bill and its intent to provide more specific criteria for the establishment of new special and revolving funds and the continuance of existing special and revolving funds. Because special, revolving and trust funds should only be used for their specified purpose and cannot be used for other programs, we must continue to ensure that these funds are the most appropriate funding mechanism for the programs which they support.

LATE

NEIL ABERCROMBIE
GOVERNOR OF HAWAII



LORETTA J. FUDDY, A.C.S.W., M.P.H.
DIRECTOR OF HEALTH

STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON WAYS AND MEANS

SB 190 SD1, RELATING TO STATE FUNDS

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health**

**February 6, 2013
9:00AM, Room 211**

1 **Department's Position:** The Department of Health (DOH) would like to offer comments on this
2 measure.

3 **Fiscal Implications:** None.

4 **Purpose and Justification:** The DOH submits annual reports to the Legislature for many of its special
5 funds. These annual reports include information such as program activities, receipts, expenditures,
6 purposes for each expenditure, fund balances and transfers.

7

8 Additionally, the DOH submits an annual report on all non-general funds to the Legislature in the form
9 of the Non-General Fund Report.

10

11 Thank you for the opportunity to offer comments.

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SB 190 SD1, RELATING TO STATE FUNDS

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

February 6, 2013
9:00AM, Room 211

1 **Department's Position:** COMMENTS.

WRITTEN ONLY

2 **Fiscal Implications:** None.

3 **Purpose and Justification:** The DOH submits annual reports to the Legislature for many of its special
4 funds. These annual reports include information such as program activities, receipts, expenditures,
5 purposes for each expenditure, fund balances and transfers.

6

7 Additionally, the DOH submits an annual report on all non-general funds to the Legislature in the form
8 of the Non-General Fund Report.

9

10 Thank you for the opportunity to offer comments.

From: mailinglist@capitol.hawaii.gov
To: [WAM Testimony](#)
Cc: darakawa@lurf.org
Subject: Submitted testimony for SB190 on Feb 6, 2013 09:00AM
Date: Wednesday, February 06, 2013 8:55:51 AM

SB190

Submitted on: 2/6/2013

Testimony for WAM on Feb 6, 2013 09:00AM in Conference Room 211

Submitted By	Organization	Testifier Position	Present at Hearing
David Arakawa	Land Use Research Foundation	Support	No

Comments: LURF supports SB 190, which would require that any State special or revolving funds shall "reflect a clear nexus" between benefits sought and charges made upon program users or beneficiaries or between the program and the sources of revenue. We understand that SB 190 was proposed by the State Auditor in her "Study of the Transfer of Non-general Funds to the General Fund" report to the Governor and Legislature, dated July 2012. While LURF strongly supports affordable housing, natural area reserves, preserving watersheds and controlling invasive species, these programs are currently funded through the conveyance tax, which is paid by sellers of real property and has no benefit-user linkage. LURF agrees with the State Auditor's conclusion that the beneficiaries of such housing, conservation and preservation programs are state residents as a whole, and such programs are so important that they should be supported by funding from a broader tax because of the broad state benefit. LURF members are the leaders in providing affordable housing and set aside and partner with the state as stewards of natural lands for conservation and watershed purposes. Nevertheless, LURF also supports the Auditor's recommendation and the position of SB 190 which calls for the repeal of the land conservation fund, natural area reserve fund and all other funds which do not meet the legal criteria for continuance as a special fund, and should be supported by the state general fund and all state taxpayers.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE



HPCCA

HAWAII PRIMARY CARE ASSOCIATION

Senate Committee on Ways and Means

The Hon. David Ige, Chair

The Hon. Michelle N. Kidani, Vice Chair

Testimony on Senate Bill 190

Relating to State Funds

Submitted by Robert Hirokawa, Chief Executive Officer

February 6, 2013, 9:00am, Room 211

The Hawai'i Primary Care Association, which represents fourteen community health centers in Hawai'i, **has concerns** about Senate Bill 190, Relating to State Funds.

The Hawaii Primary Care Association understands and supports the efficient use of government funds. As a non-profit entity, we fully believe in and comply with all regulations that are required for public funding. However, the HPCCA has critical concerns about the proposed language changes in Senate Bill 190.

New language calls for “a clear link between the benefits sought [by a special fund] and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue...” This is troubling for community health centers, which receive funding to provide health care to uninsured individuals and families through the community health center special fund in the Department of Health. The community health center special fund's only source of revenue is a dedicated portion of cigarette tax revenues. Prior to the creation of the special fund, funding for the uninsured's health care was provided through a general fund line item in the Department of Health's budget. While our intent in advocating for the creation of our special fund was to provide dedicated funding to expand capacity and infrastructure at community health centers, the State made the decision to use the special fund monies to supplant our general fund line item; thus eliminating the line item funding for health care for the uninsured and replacing it with the special fund monies. We welcome the consideration of the legislature to restore funding to community health centers in the Department of Health's budget. However we cannot support a measure that threatens to eliminate our sole source of funding health care for Hawaii's uninsured. Monies in the community health center special fund are only used for the purpose of funding direct health care needs for the uninsured at Hawaii's fourteen health centers.

Please protect funding for Hawaii's community health centers and the underserved, uninsured, low-income populations that we serve. We urge you to take these concerns into consideration and make appropriate amendments. Thank you for the opportunity to testify.

LATE

Dear Senator Ige,

I am writing to express my opposition of SB 0190, which reduces from \$3 to \$1 the drivers education fund underwriters fee and repeals the \$2 of the fee allocated to the DOE drivers education program and traffic safety education program. As a parent living on an island with extremely limited resources available, it would be a shame for our children to lose this stepping stone in their education of life. Driving is a major part of life today and having the necessary knowledge of how to be a safe driver is imperative. Having no private drive school on our island and coupled with a extremely high unemployment rate makes this Driver's Education through our ONLY public high school a true blessing. Please do what is right by our youth and give them every opportunity available to educate them in all areas that will impact their future and the future of those around them by making it safer on the roads.

Your consideration in this matter is greatly appreciated.

Sincerely,
Pamela Matson

LATE

SB 0190 calls for the elimination of the Driver Education Program, source of funds from the insurance commissioner, and ending funding for the program in total. I witness teenagers driving everyday. Most have no insurance because it is not affordable for their family. Insurance premiums only become affordable after students pass an accredited driver's education program- such as the one offered by the DOE. This concerns many people since driving has become a necessity in today's busy civilization. Teens are proven to be the most dangerous drivers, and bad drivers are hazardous to the entire community. The adolescents need to be educated on driving which is exactly why the Driver's Education program is so important to our community.