Honolulu, Hawaii

MAR 2 5 2021

RE: H.B. No. 1297

H.D. 2 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-First State Legislature Regular Session of 2021 State of Hawaii

Sir:

Your Committees on Health and Higher Education, to which was referred H.B. No. 1297, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require each department to submit program measures, costs elements, and accounting reports for all nongeneral funds to the Legislature by October 1 of each year;
- (2) Specify that the cigarette tax revenues deposited to the credit of the cancer research special fund shall only be used for capital expenditures and only until July 1, 2041;
- (3) Make certain special funds subject to deductions for central service expenses into the general fund; and
- (4) Transfer to the credit of the general fund, beginning July 1, 2021, surcharges and cigarette tax revenue allocated to the trauma systems special fund.

Your Committees received testimony in support of this measure from the Department of Public Safety. Your Committees received testimony in opposition to this measure from the University of Hawai'i System, American Cancer Society Cancer Action Network, Hawai'i Tourism Authority, University of Hawaii Professional Assembly, Hawaii Substance Abuse Coalition, Hoʻōla Lāhui Hawai'i, Alana Dung Research Foundation, Friends of UH Cancer Center, and eighteen individuals. Your Committees received comments on this measure from the Department of Budget and Finance, Department of Education, Department of Human Services, Department of Taxation, Department of Transportation, Hawai'i Pacific Health, and Hawai'i Pacific Health Wilcox Medical Center.

Your Committees find that the coronavirus disease 2019 (COVID-19) pandemic caused severe economic harm to the State. Requiring non-general fund balances to be transferred to the general fund is a necessary measure to address the State's budget shortfall. Removing exemptions for most special funds from the five percent deduction into the general fund and dissolving other special funds will contribute to the State's economic recovery. Your Committees also find that consolidating the administrative services of the University of Hawaii Cancer Center (UHCC) and the John A. Burns School of Medicine (JABSOM) will save much needed funds and that consolidating the management of public resources provided to the UHCC and JABSOM will avoid unnecessary duplication of administrative expenses or conflicting priorities.

Your Committees recognize the testimony of various stakeholders who raised concerns that requiring the Director of the UHCC to report to the Dean of JABSOM would jeopardize UHCC's status as a National Cancer Institute designated cancer center. Therefore, your Committees have amended this measure by:

- (1) Removing the requirement that the Director of the UCHH report to the Dean of JABSOM;
- (2) Requiring the University of Hawaii to report to the Legislature on the monies in the Hawaii cancer research special fund annually instead of semi-annually; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Health and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1297, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 1297, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

> Respectfully submitted on behalf of the members of the Committees on Health and Higher Education,

DONNA MERCADO KIM, Chair

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JARRETT KEOHOKALOLE, Chair

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Health HTH

Bill / Resolution No.:*	Committee Referral: Date:								
HB1297 HD2	HTH/HRE, WAM			3-24-2021					
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WR)	Nay	Excused				
KEOHOKALOLE, Jarrett (C)									
BAKER, Rosalyn (VC)									
MORIWAKI, Sharon Y.									
SAN BUENAVENTURA, Joy A	١								
FEVELLA, Kurt	<u> </u>								
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TOTAL		5							
Recommendation: Adopted Not Adopted									
Chair's or Designee's Signature:									
Distribution: Original File with Committee Re	Yellow Pink Goldenrod Report Clerk's Office Drafting Agency Committee File Copy								

*Only one measure per Record of Votes

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Higher Education HRE

Bill / Resolution No.:*	Committee Referral: Date:							
HB 1297 HD2	HTH/HRE, WAM 3/24/21							
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (WR)	Nay	Excused			
KIM, Donna Mercado (C)		V						
KIDANI, Michelle N. (VC)								
KEITH-AGARAN, Gilbert S.C.		V						
WAKAI, Glenn		V/						
FEVELLA, Kurt								
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TOTAL		5	0	0	0			
Recommendation:								
Adopted Not Adopted								
Chair's or Designee's Signature:								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

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