

Honolulu, Hawaii

JAN 27 2012

RE: S.B. No. 239
S.D. 2
H.D. 2
C.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 239, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Extend the authorization that allows the John A. Burns School of Medicine (JABSOM) to receive a portion of Hawaii tobacco settlement special fund monies for annual operating expenses until 2015 while reducing that portion of fund monies each fiscal year until the fiscal year ending on June 30, 2015;
- (2) Establish a University of Hawaii school of public health special fund, using a portion of Hawaii tobacco settlement



special fund monies, to finance the establishment of a school of public health in JABSOM;

- (3) Establish the Hawaii medical doctors loan program and a special fund to support the program;
- (4) Establish the Hilo medical center rural interdisciplinary residency program special fund to implement and sustain the program; and
- (5) Direct a portion of JABSOM's share of the Hawaii tobacco settlement fund monies into the University of Hawaii school of public health special fund, Hilo medical center rural interdisciplinary residency program special fund, and Hawaii medical doctor loan program special fund from fiscal year 2012-2013.

Your Committee on Conference finds that JABSOM's authorization to use a portion of Hawaii tobacco settlement special fund monies to support the school's operations and train and graduate new physicians expired on June 30, 2011. Your Committee on Conference recognizes the tough financial situation the University of Hawaii is facing and through this measure will reinstate the use of Hawaii tobacco settlement special fund monies by JABSOM until June 30, 2015. It is the intent of your Committee on Conference that, in passing this measure and reinstating the use of Hawaii tobacco settlement special fund monies, JABSOM not encounter any delay in accessing and using these funds, operating as though the authorization allowing JABSOM to receive a portion of Hawaii tobacco settlement special fund monies had not expired.

Your Committee on Conference further finds that the University of Hawaii must develop and implement revenue generating practices that will allow JABSOM to become self sufficient and less reliant on Hawaii tobacco settlement special fund monies for its annual operating costs. As such, your Committee on conference believes that the University of Hawaii should prepare a financial plan detailing how it will fund JABSOM's operating expenses beginning July 1, 2015, when it is no longer authorized to use Hawaii tobacco settlement special fund monies. The financial plan should include an itemized list of all sources of funding for JABSOM, including monies from the general fund, trust funds, or the federal government.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and inserting the contents of S.B.



No. 239, S.D. 2 (2011), which extends the authorization allowing JABSOM to receive an unspecified portion of Hawaii tobacco settlement special fund monies and requires the University of Hawaii to account for revenues and expenditures relating to monies appropriated into the university revenue-undertakings fund and monies used for JABSOM's operating costs, and further amending this measure by:

- (1) Specifying that the portion of Hawaii tobacco settlement special fund monies to which the University of Hawaii is entitled shall be reduced to:
 - (A) Twenty-seven percent starting with fiscal year 2013-2014; and
 - (B) Twenty-six percent starting with fiscal year 2014-2015;
- (2) Specifying that the reductions in the University of Hawaii's portion of Hawaii tobacco settlement special fund monies shall be deposited to the credit of the general fund in addition to the:
 - (A) Twenty-five and one-half percent of monies deposited to the credit of the general fund for fiscal year 2013-2014; and
 - (B) Twenty-six and one-half percent of monies deposited to the credit of the general fund for fiscal year 2014-2015;
- (3) Specifying that any amounts in excess of the amounts required by JABSOM for its operating expenses shall be transferred in the succeeding fiscal year to the general fund;
- (4) Requiring the University of Hawaii to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2013 through 2015 detailing its financial plan to fund JABSOM's operating expenses beginning July 1, 2015, when it is no longer authorized to use a portion of the Hawaii tobacco settlement special fund monies; and
- (5) Making this measure effective upon approval and repealing this measure on June 30, 2015.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 239, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 239, S.D. 2, H.D. 2, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

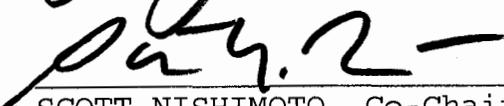
ON THE PART OF THE SENATE



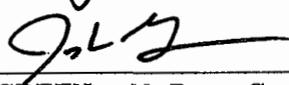
RYAN I. YAMANE, Co-Chair



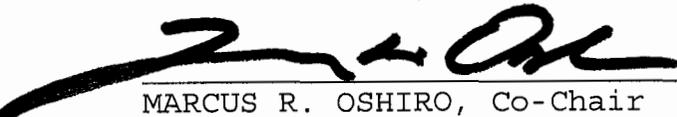
JILL TOKUDA, Chair



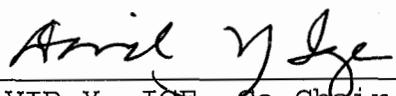
SCOTT NISHIMOTO, Co-Chair



JOSH GREEN, M.D., Co-Chair



MARCUS R. OSHIRO, Co-Chair



DAVID Y. IGE, Co-Chair



