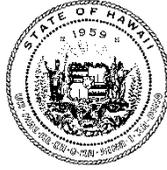


JOSH B. GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



BONNIE KAHAKUI  
ADMINISTRATOR  
  
DAYNA OMIYA  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAII | KA MOKU'ĀINA O HAWAII'**  
**STATE PROCUREMENT OFFICE**

P.O. Box 119  
Honolulu, Hawaii 96810-0119  
Tel: (808) 586-0554  
email: [state.procurement.office@hawaii.gov](mailto:state.procurement.office@hawaii.gov)  
<http://spo.hawaii.gov>

TESTIMONY  
OF  
BONNIE KAHAKUI, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
FINANCE  
FEBRUARY 27, 2026, 10:00 AM

HOUSE BILL 1966, HD1  
RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND

Chair Todd, Vice Chair Takenouchi, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1966, HD1. The State Procurement Office (SPO) respectfully opposes the Chapter 103D and 103F exemption language and recommends the following revision to Section 3, page 6, lines 13 to 14.

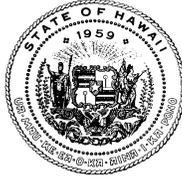
- (f) Expenditures from the emergency medical services special fund shall be ~~exempt from~~ subject to chapters 103D and 103F, Hawaii Revised Statutes.

The SPO testifies that expenditures and contracts supporting the continuing development and operation of a comprehensive state emergency medical system of care should comply with Chapters 103D and 103F, Hawaii Revised Statutes (HRS), to ensure fair and open competition and to prevent favoritism, collusion, or fraud in the awarding of contracts. This also ensures proper oversight, accountability, and transparency in the procurement and contracting process, principles vital to good government.

As this bill proposes to update the revenue structure of the emergency medical services special fund, the expenditures of the fund should be transparent, accountable, and subject to the Hawaii Procurement Code, which allows informal, small purchases to emergency procurement.

Thank you for the opportunity to submit testimony on this measure.

JOSH GREEN, M.D.  
GOVERNOR OF HAWAII  
KE KIA'ĀINA O KA MOKU'ĀINA 'O HAWAII'



KENNETH S. FINK, MD, MGA, MPH  
DIRECTOR OF HEALTH  
KA LUNA HO'OKELE

STATE OF HAWAII  
DEPARTMENT OF HEALTH  
KA 'OIHANA OLAKINO  
P. O. Box 3378  
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**Testimony in SUPPORT of (HB1966)  
RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND**

REPRESENTATIVE CHRIS TODD, CHAIR  
HOUSE COMMITTEE ON HEALTH

Friday, February 27, 2026 at 10:00 AM | Room Number: 308

1 **Fiscal Implications:** This measure enables the Department of Health (“Department”) to leverage  
2 the Emergency Medical Services Special Fund to sustain and enhance statewide emergency  
3 medical services operations. An increase to the special fund expenditure ceiling is required to  
4 fully maximize revenues flowing into the fund and to ensure these resources can be effectively  
5 utilized for their intended purpose. The Department requests that this measure be considered  
6 as a mechanism to support these needs, so long as it does not supplant or otherwise interfere  
7 with the priorities and funding requests included in the Governor’s executive budget.

8 **Department Position:** The Department strongly supports this measure, offering testimony.

9 **Department Testimony:** The State of Hawai’i, Department of Health’s Emergency Medical  
10 Services & Injury Prevention Systems Branch (EMSIPSB) strongly supports this measure and  
11 provides testimony on behalf of the Department.

12 This measure strengthens the Emergency Medical Services Special Fund and supports the  
13 Department’s ability to maintain and improve a comprehensive, statewide Emergency Medical  
14 Services (EMS) system. The fund supports critical EMS functions, including emergency ground  
15 ambulance and air medical transport services, workforce training, communications  
16 infrastructure, and other core operational needs. As written, this measure ensures that funds

1 can be distributed in a timely manner, preventing delays in the life-saving care provided by EMS  
2 personnel every day across the State.

3 The Department respectfully requests that this measure, including Section 3(f) regarding  
4 exemption from Chapters 103D and 103F, Hawai'i Revised Statutes, be maintained without  
5 amendment. Preserving this exemption is essential to ensure the EMS Special Fund operates in  
6 the same manner as the existing Trauma System Special Fund.

7 For more than twenty years, the Department has successfully administered the Trauma System  
8 Special Fund with a procurement exemption. This exemption has allowed trauma centers  
9 statewide to procure life-saving equipment, services, and training without delay. Over that  
10 time, the Department has established and maintained strong administrative oversight  
11 processes, transparency safeguards, and fiscal accountability measures, with no findings of  
12 fraud, waste, or abuse.

13 Providing the same procurement exemption for the EMS Special Fund will ensure operational  
14 consistency, maintain fiscal integrity, and allow EMS providers to respond efficiently to urgent  
15 system needs. In the EMS environment, where readiness, equipment availability, and rapid  
16 response are critical, delays in purchasing or contracting can directly impact patient care and  
17 system performance.

18 Importantly, this measure strengthens the Department's ability to procure emergency medical  
19 equipment, supplies, and essential services in a timely and efficient manner while maintaining  
20 responsible oversight. Contracting flexibility is not a reduction in accountability; rather, it is a  
21 necessary operational tool to ensure that emergency medical services remain responsive,  
22 prepared, and capable of delivering high-quality care to the people of Hawai'i.

23 The Department appreciates the Committee's consideration and respectfully urges passage of  
24 this measure as written.

25 **Offered Amendments:** None.

1 Thank you for the opportunity to testify on this measure.

# TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, MOTOR VEHICLE, Allow Emergency Medical Services Fees to Feed EMS Special Fund

BILL NUMBER: HB 1966 HD1

INTRODUCED BY: HLT

EXECUTIVE SUMMARY: Amends the Emergency Medical Services Special Fund by authorizing the deposit of revenues from billable emergency medical services. Amends the composition, allowable uses, and establishes a cap on the special fund.

SYNOPSIS: Amends sec 321-232, HRS, to deposit revenues collected by the Department of Health to the Emergency Medical Services (“EMS”) special fund,

Amends sec 321-234(c), HRS, to specify that the Emergency Medical Services special fund (“Special Fund”) to consist of no less than 50% of the emergency medical services revenue collected for services provided pursuant to sec 321-232.

Amends sec 321-234(c), HRS with clarifying language for the remaining components of the Special Fund:

- (2) fees remitted pursuant to sec 249-31 (state vehicle registration fees);
- (3) cigarette tax revenues designated under sec 245-15;
- (4) interest and investment earnings attributable to moneys in the special fund;
- (5) legislative appropriations, including grants-in-aid, and
- (6) grants, donations, and contributions from private or public sources for the purposes of the fund.

Adds sec 321-234(d), to provide all unencumbered and unexpended moneys in excess of \$45,000,000 remaining on balance in the Special Fund at the close of June 30 of each year shall lapse to the credit of the general fund.

Adds sec 321-234 (e) to provide the Special Fund shall be used:

- (1) by the department to support the continuing development and operation of a comprehensive state emergency medical system of care;
- (2) to subsidize the documented costs for the comprehensive emergency medical services, including emergency ambulance, emergency air medical transport services, equipment,

- supplies, training, education, dispatch, communications and data systems, and public education of 911 emergency medical services; and
- (3) necessary administrative expenses, not to exceed five per cent of the total amount collected in the special fund for any given year.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: The 1989 Tax Review Commission noted that use of special fund financing is a “departure from Hawaii’s sound fiscal policies and should be avoided.” It also noted that special funds are appropriate where the revenues to the funds maintain some direct connection between a public service and the beneficiary of that service. The Commission found that special funds which merely set aside general funds cannot be justified as such actions restrict budget flexibility, create inefficiencies, and lessen accountability.

The proposed measure to have emergency medical services revenue deposited to the Special Fund is consistent with the 1989 Tax Review Commission’s report as that revenue has a direct connection between the public service and the beneficiary of that service. However, the connection between the vehicle registration fees and cigarette tax revenue earmarks to the EMS Special Fund’s beneficiaries is questionable.

We cannot argue with the proposition that excess balances in the Special Fund should be repurposed to the general fund. We suggest that the vehicle registration fee and tobacco tax earmarks be removed.

Digested: 2/25/2026



*Laura A. Mallery-Sayre, RDH, MSDHed*

EDUCATIONAL CONSULTANT

P.O. BOX 1285

KAILUA KONA, HAWAII 96745

TELEPHONE: (808) 325-5456 FAX: (808) 325-7516

MALLERYSAYRE@HAWAII.RR.COM

February 26, 2026

Testimony in support of HB 1966 HD1 to Committee on Finance

Representative Chris Todd, Chair  
Representative Jenna Takenouchi, Vice Chair  
Committee Members

My name is Laura Mallery-Sayre. I am the co-founder of the Daniel R. Sayre Memorial Foundation and for the past 28 years I have served as the Executive Director of this non-profit which provides life-saving equipment and training to our fire department personnel. Through default, I have become a bit of an expert on the difficulties surrounding the acquisition of emergency equipment to meet the needs of our first responders particularly by the State and Counties due to lack of funding and the onerous procurement processes that are currently mandated.

I am speaking to you today to urge you to modernize the Emergency Medical Services Special Fund to allow adequate funding for necessary medical vehicles and training to be made available immediately by exempting the procurement process for this Department for these needs. It often takes up to two years or more to simply apply for these needs through the existing procurement process and then you need to add onto that time frame the backload of vehicles available nationally which can add on another 3 to 4 years. If we are going to truly be responsive as a State, we need to be able to order needed vehicles immediately to serve our communities.

Technology has changed significantly since 1984 when the Statutes, Rules and Regulations governing this Department were last examined. We need to be proactive instead of reactive when there are lives at stake. This means that our first responders should be provided with the very best equipment and training that is available. I urge you to pass this Bill and to exempt the DOH Emergency Medical Services Department with the exception of the existing procurement process.

Sincerely,

Laura A. Mallery-Sayre, RDH, MSDHed, FADHA

**HB-1966-HD-1**

Submitted on: 2/26/2026 7:05:37 PM

Testimony for FIN on 2/27/2026 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Laura A. Mallery-Sayre	Individual	Support	Remotely Via Zoom

Comments:

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Sincerely,

Laura A. Mallery-Sayre, RDH, MSDHed, FADHA

