

STAND. COM. REP. NO.

3193

Honolulu, Hawaii

MAR 25 2026

RE: H.B. No. 1966
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Health and Human Services, to which was referred H.B. No. 1966, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Amend the Emergency Medical Services Special Fund by authorizing the deposit of revenues from billable emergency medical services;
- (2) Amend the composition and allowable uses of the special fund;
- (3) Establish an annual cap on the unencumbered and unexpended balance in the special fund; and
- (4) Exempt expenditures from the special fund from chapters 103D and 103F, governing public procurement.

Your Committee received testimony in support of this measure from the Department of Health and one individual.



Your Committee received comments on this measure from the State Procurement Office and Tax Foundation of Hawaii.

Your Committee finds that the Emergency Medical Services (EMS) Special Fund supports the Department of Health's ability to maintain and improve a comprehensive, statewide EMS system. The fund supports critical EMS functions, including emergency ground ambulance and air medical transport services, workforce training, communications infrastructure, and other core operational needs. Your Committee further finds that the exemption from public procurement requirements will give the EMS system contracting flexibility which is not a reduction in accountability but rather, a necessary operational tool to ensure that EMS remain responsive, prepared, and capable of delivering high-quality care to the people of the State. This measure strengthens the Department of Health's ability to procure emergency medical equipment, supplies, and essential services in a timely and efficient manner, while maintaining responsible oversight.

Your Committee notes the testimony by the Tax Foundation of Hawaii regarding the principle that special funds are appropriate when the revenues deposited into the fund bear a direct nexus to the public service supported and the beneficiaries of that service. Your Committee further notes the concern that certain tax revenues, including the cigarette tax revenues allocated to the Emergency Medical Services Special Fund pursuant to section 245-15, Hawaii Revised Statutes, may not clearly demonstrate this nexus. Therefore, amendments to this measure are necessary to address this concern.

Your Committee has amended this measure by:

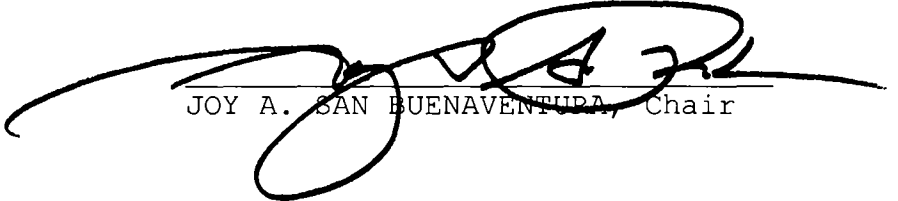
- (1) Inserting language discontinuing the allocation of cigarette tax revenues to the Emergency Medical Services Special Fund, beginning January 1, 2027;
- (2) Amending section 1 to reflect its amended purpose; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health and Human Services that is attached to this



report, your Committee is in accord with the intent and purpose of H.B. No. 1966, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1966, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Health and Human
Services,



JOY A. SAN BUENAVENTURA, Chair



