

STATE OF HAWAII
DEPARTMENT OF HEALTH
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Testimony in SUPPORT of (HB1966 HD1)
RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND

SENATOR JOY A. SAN BUENAVENTURA, CHAIR
SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Friday, March 20, 2026 at 1:00 PM | Room Number: 225

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.

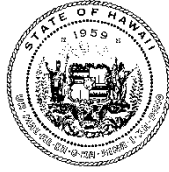
18 Importantly, this measure strengthens the Department's ability to procure emergency medical
19 equipment, supplies, and essential services in a timely and efficient manner while maintaining
20 responsible oversight. Contracting flexibility is not a reduction in accountability; rather, it is a
21 necessary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

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.

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



BONNIE KAHAKUI
ADMINISTRATOR

DAYNA OMIYA
ASSISTANT ADMINISTRATOR

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TESTIMONY
OF
BONNIE KAHAKUI, ADMINISTRATOR
STATE PROCUREMENT OFFICE

TO THE SENATE COMMITTEE
ON
HEALTH AND HUMAN SERVICES
MARCH 20, 2026, 1:00 PM

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

Chair San Buenaventura, Vice Chair McKelvey, 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 Hawaii Revised Statutes (HRS) Chapters 103D and 103F exemption language and recommends the following revision to Section 3, page 6, lines 13-14:

"(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 HRS Chapters 103D and 103F 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.

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. Effective 7/1/3000.

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

HB-1966-HD-1

Submitted on: 3/19/2026 12:58:09 PM

Testimony for HHS on 3/20/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Laura Mallery-Sayre	Individual	Support	Written Testimony Only

Comments:

I urge the WAM Committee to support HB1966, HD1. As The Executive Director of The Daniel R. Sayre Memorial Foundation for the past 28 years, I have been made keenly aware of the lack of emergency vehicles and personnel present in our State and particularly on Hawaii Island. We, as a proactive community, need to have additional documentation of emergency services to address our current and future needs for Hawaii. We no longer can turn a blind eye to the needs of the remote and rural areas of our State. Our mission is to save lives!! Please assist the Emergency Medical Services Branch of the Department of Health in also saving lives and pass this much needed Bill.