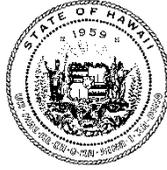


JOSH B. GREEN, M.D.  
GOVERNOR  
KE KIA'ĀINA



BONNIE KAHAKUI  
ADMINISTRATOR  
  
DAYNA OMIYA  
ASSISTANT ADMINISTRATOR

**STATE OF HAWAI'I | KA MOKU'ĀINA O HAWAI'I**  
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TESTIMONY  
OF  
BONNIE KAHAKUI, ADMINISTRATOR  
STATE PROCUREMENT OFFICE

TO THE HOUSE COMMITTEE  
ON  
HEALTH  
FEBRUARY 11, 2026, 9:00 AM

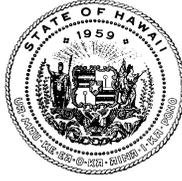
HOUSE BILL 1966  
RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND

Chair Takayama, Vice Chair Keohokapu-Lee Loy, and members of the committee, thank you for the opportunity to submit testimony on House Bill 1966, which amends the Emergency Medical Services Special Fund by authorizing the deposit of revenues from billable emergency medical services. The State Procurement Office (SPO) appreciates the intent of the bill, but respectfully opposes the Hawaii Revised Statute (HRS) Chapters 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 that support the continuing development and operation of a comprehensive state emergency medical system of care should comply with Chapters 103D and 103F, HRS, to ensure fair, open competition and to prevent favoritism, collusion, or fraud in awarding of contracts. This also ensures oversight, accountability, and transparency in the procurement and contracting process which is vital to good government.

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



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

REPRESENTATIVE GREGG TAKAYAMA, CHAIR  
HOUSE COMMITTEE ON HEALTH

Wednesday, February 11, 2026 at 9:00 AM | Room Number: 329

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 Hawaii, 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  
13 the Department’s ability to maintain and improve a comprehensive statewide Emergency  
14 Medical Services (EMS) system. The fund helps support critical EMS functions, including  
15 emergency ambulance and emergency air medical transport services, training, communications,  
16 and other core operational needs.

1           Importantly, the measure supports the Department's ability to procure emergency  
2 medical equipment, supplies, and essential services more efficiently. Timely purchasing and  
3 contracting flexibility are vital in EMS operations, where delays can affect system readiness and  
4 patient care.

5           **Offered Amendments:** None.

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

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



**LATE**

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

STATE OF HAWAII  
DEPARTMENT OF HEALTH

KA 'OIHANA OLAKINO  
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In reply, please refer to:  
File: 26-005

**Testimony in Support of House Bill 1966 (HB1966)  
RELATING TO THE EMERGENCY MEDICAL SERVICES SPECIAL FUND**

REPRESENTATIVE GREGG TAKAYAMA, CHAIR  
HOUSE COMMITTEE ON HEALTH

February 10, 2026

Honorable Chair Takayama, Vice Chair Keohokapu-Lee Loy, and Members of the Committee,

Thank you for the opportunity to submit testimony in strong support of HB1966.

I strongly support HB1966, which strengthens the EMS Special Fund and improves the Department of Health's ability to maintain a reliable statewide EMS system. For rural communities like Kaua'i—where long transport distances and limited specialty resources make system readiness critical—timely procurement of equipment, supplies, and services directly affects patient outcomes.

By increasing the fund's expenditure ceiling, this measure ensures that revenues already flowing into the EMS Special Fund can be fully utilized for their intended purpose, without affecting priorities in the Governor's executive budget. HB1966 supports frontline ambulance and air medical operations, training, communications, and essential EMS functions that Kaua'i depends on every day.

For these reasons, I respectfully urge passage of this measure.

Thank you for the opportunity to testify.

Sincerely,

Eric Vaughan, MD  
Kauai County, EMS Medical Director  
State of Hawaii, Department of Health

# TAX FOUNDATION OF HAWAII

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735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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

BILL NUMBER: HB 1966; SB 2860

INTRODUCED BY: HB by KEOHOKAPU-LEE LOY, AMATO, BELATTI, GRANDINETTI, ILAGAN, KAHALOA, KAPELA, KILA, LOWEN, MARTEN, MIYAKE, MORIKAWA, OLDS, PERRUSO, POEPOE, QUINLAN, TAKAYAMA, TAKENOUCI, TAM, TEMPLO; SB by SAN BUENAVENTURA, CHANG, GABBARD, HASHIMOTO, RICHARDS

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, 2026

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: 2/8/2026