

A Bill for an Act Relating to the Hawaii Tobacco Settlement Special Fund.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. The legislature finds that the John A. Burns school of medicine was authorized under Act 264, Session Laws of Hawaii 2007, to use a portion of Hawaii tobacco settlement special fund moneys for annual operating expenses to support the school's operations and train and graduate new physicians. This authorization was repealed on June 30, 2011.

The purpose of this Act is to re-instate the authorization that allows the John A. Burns school of medicine to use a portion of Hawaii tobacco settlement special fund moneys for annual operating expenses until 2015 while reducing the portion of fund moneys by one per cent per fiscal year starting with fiscal year 2013-2014 until the fiscal year ending on June 30, 2015.

SECTION 2. Section 328L-2, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) The fund shall be used for the purpose of receiving, allocating, and appropriating the tobacco settlement moneys as follows:

- (1) Fifteen per cent shall be appropriated into the emergency and budget reserve fund under section 328L-3; provided that for fiscal years 2012 and 2013, this percentage shall be deposited into the general fund;
- (2) Twenty-five per cent shall be appropriated to the department for purposes of section 328L-4;
- (3) Six and one-half per cent shall be appropriated into the Hawaii tobacco prevention and control trust fund under section 328L-5; provided that for fiscal years 2012 and 2013, this percentage shall be deposited into the general fund; ~~and~~
- (4) Twenty-eight per cent shall be appropriated into the university revenue-undertakings fund created in section 304A-2167.5 to be applied ~~solely~~ to the payment of the principal of and interest on, and to generate required coverage, if any, for revenue bonds issued by the board of regents of the University of Hawaii to finance the cost of construction of a university health and wellness center, including a new medical school facility, to be situated on the island of Oahu, for the succeeding fiscal year; and the payment of annual operating expenses incurred by the new medical school facility; provided that starting with fiscal year 2013-2014, the amount to be appropriated to the university revenue-undertakings fund shall be reduced to twenty-seven per cent; provided further that starting with fiscal year 2014-2015, the amount shall be reduced to twenty-six per cent; provided further that any moneys in excess of the amount required [to pay principal of and interest on, and to generate required coverage, if any, for such revenue bonds in any fiscal year,] under this paragraph shall be transferred [as follows:] in the succeeding fiscal year to the [emergency and budget reserve fund under section 328L-3;] general fund; and
- (5) Twenty-five and one-half per cent shall be deposited to the credit of the state general fund; provided that the one per cent reduction in the appropriation to the university revenue-undertakings fund for fiscal year 2013-2014 under paragraph (4) shall be deposited to the

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credit of the general fund in addition to the twenty-five and one-half per cent of Hawaii tobacco settlement special fund moneys deposited pursuant to this paragraph; provided further that the one per cent reduction in the appropriation to the university revenue-undertakings fund for fiscal year 2014-2015 under paragraph (4) shall be deposited to the credit of the general fund in addition to the twenty-six and one-half per cent of Hawaii tobacco settlement special fund moneys deposited pursuant to this paragraph.<sup>1</sup>

in the succeeding fiscal year.”

SECTION 3. The University of Hawaii shall prepare a detailed accounting of all revenues and expenditures relating to:

- (1) Moneys appropriated into the university revenue-undertakings fund established under section 304A-2167.5, Hawaii Revised Statutes; and
- (2) Any moneys used for the operating costs of the medical school facility.

This accounting information shall be submitted to the legislature no later than twenty days prior to the convening of the regular sessions of 2013, 2014, and 2015.

SECTION 4. The University of Hawaii shall submit a report to the legislature detailing its financial plan to fund the operating expenses of the John A. Burns school of medicine beginning July 1, 2015, when it is no longer authorized to use a portion of the Hawaii tobacco settlement special fund moneys. The financial plan shall include an itemized list of all means of funding the John A. Burns school of medicine’s operating expenses.

This report shall be submitted to the legislature no later than twenty days prior to the convening of the regular sessions of 2013, 2014, and 2015.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect upon its approval, and shall be repealed on June 30, 2015; provided that section 328L-2, Hawaii Revised Statutes, shall be reenacted in the form in which it read on the day before the effective date of Act 264, Session Laws of Hawaii 2007.

(Approved February 13, 2012.)

### Note

1. So in original.