

ACT 118

S.B. NO. 101

A Bill for an Act Relating to the Budget.

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

SECTION 1. The State began using Hawaii tobacco settlement special fund moneys fifteen years ago to support tobacco prevention and control, health promotion, disease prevention, and children's health programs. Since then, the State has made great strides in tobacco prevention and control; however, the legislature finds that the revenue stream into the Hawaii tobacco settlement special fund has fluctuated. In addition, varying state needs for tobacco prevention and control programs have led to significant variations in the allocations from the Hawaii tobacco settlement special fund from year to year.

The purpose of this Act is to enable greater budgetary stability and transparency over state funds and maximize financial resources for tobacco prevention and control by:

- (1) Amending the distribution amounts allocated from the Hawaii tobacco settlement special fund; and
- (2) Appropriating general fund revenues to budget programs and items that were formerly supported by the Hawaii tobacco settlement special fund.

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) ~~[Twenty-four and one-half]~~ Fifteen per cent shall be appropriated into the emergency and budget reserve fund under section 328L-3;
- ~~[(2) Thirty-five per cent shall be appropriated to the department for purposes of section 328L-4;~~
- ~~(3)~~ (2) Twelve and one-half per cent shall be appropriated into the Hawaii tobacco prevention and control trust fund under section 328L-5; ~~and~~
- ~~(4) Twenty-eight]~~ (3) Twenty-six per cent shall be appropriated into the university revenue-undertakings fund created in section ~~[[304A-2167];~~ 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; provided 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, shall be transferred as follows:~~
- ~~(A) To the emergency and budget reserve fund under section 328L-3, eighty per cent of the excess; and~~
- ~~(B) To the Hawaii tobacco prevention and control trust fund under section 328L-5, twenty per cent of the excess]; and~~
- (4) Any remaining amounts shall be deposited to the credit of the state general fund;

in the succeeding fiscal year.”

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SECTION 3. Section 328L-5, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (a) to read:

“(a) There is established the Hawaii tobacco prevention and control trust fund as a separate fund of a nonprofit entity having a board of directors and qualifying under section 501(c)(3) of the Internal Revenue Code of 1986, as amended, into which shall be deposited moneys received as provided under section ~~[328L-2(b)(3);]~~ 328L-2(b)(2). The director of health with the concurrence of the governor, shall select, in accordance with law, the entity based upon the proven record of accomplishment of the entity in administering a similar trust fund.”

2. By amending subsection (e) to read:

“(e) The assets of the Hawaii tobacco prevention and control trust fund shall consist of:

- (1) Moneys appropriated under section ~~[328L-2(b)(3);]~~ 328L-2(b)(2);
- (2) Moneys appropriated to the Hawaii tobacco prevention and control trust fund by the state, county, or federal government;
- (3) Private contributions of cash or property; and
- (4) Income and capital gains earned by the trust fund.”

SECTION 4. Section 328L-4, Hawaii Revised Statutes, is repealed.

SECTION 5. There is appropriated out of the general revenues of the State of Hawaii the sum of \$4,716,750 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for health care payments (HMS401) for operating expenses of the children's health insurance program.

The sums appropriated shall be expended by the department of human services for the purposes of this Act.

SECTION 6. There is appropriated out of the general revenues of the State of Hawaii the sum of \$6,424,410 or so much thereof as may be necessary for fiscal year 2015-2016 and the sum of \$6,507,305 or so much thereof as may be necessary for fiscal year 2016-2017 to fund positions and other operating expenditures in HTH590, chronic disease prevention and health promotion, for the purposes of this Act; provided that funds appropriated in this Act may be transferred with the approval of the governor to HTH590, chronic disease prevention and health promotion, in the General Appropriations Act of 2015 (House Bill No. 500, H.D. 1, S.D. 1, C.D. 1)¹, for expenditure.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 7. There is appropriated out of the general revenues of the State of Hawaii the sum of \$3,000,000 or so much thereof as may be necessary for fiscal year 2015-2016 and the same sum or so much thereof as may be necessary for fiscal year 2016-2017 for family health services (HTH560) to be matched by \$9,000,000 in federal funds for the Hawaii Home Visiting Network program.

The sums appropriated shall be expended by the department of health for the purposes of this Act.

SECTION 8. The department of health shall submit a report to the legislature no later than February 1, 2016, on the expenditure of moneys appropriated under section 6 of this Act. The report shall include itemized lists of expenditures:

- (1) Made from July 1, 2015, to December 31, 2015; and
- (2) Made or planned for the period of January 1, 2016, to June 30, 2016.

SECTION 9. Statutory material to be repealed is bracketed and stricken.² New statutory material is underscored.

SECTION 10. This Act shall take effect on July 1, 2015.
(Approved June 12, 2015.)

Notes

1. Act 119.
2. Edited pursuant to HRS §23G-16.5.