

TWENTY-SEVENTH DAY

Tuesday, March 7, 2000

The House of Representatives of the Twentieth Legislature of the State of Hawai'i, Regular Session of 2000, convened at 9:15 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Mr. Russell Kimura, Student Body President, James B. Castle High School, after which the Roll was called showing all members present with the exception of Representatives Herkes, Hiraki, McDermott, Menor, Morihara, Okamura, Pendleton, Santiago and Takumi, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Twenty-Sixth Day was deferred.

GOVERNOR'S MESSAGE

The following message from the Governor (Gov. Msg. No. 163) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 163, transmitting copies of the Comprehensive Annual Financial Report of the State of Hawai'i for the fiscal year ended June 30, 1999, prepared by the Comptroller, pursuant to Section 40-5, Hawai'i Revised Statutes.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. No. 25 through 48) were received and announced by the Clerk and were placed on file:

Sen. Com. No. 25 transmitting S.B. No. 2056, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNT CONTRIBUTION TAX CREDITS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 26 transmitting S.B. No. 2069, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PROBATION," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 27 transmitting S.B. No. 2120, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ACT 316, SESSION LAWS OF HAWAII 1993, AS AMENDED BY ACT 157, SESSION LAWS OF HAWAII 1995; AND TO ACT 278, SESSION LAWS OF HAWAII 1999," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 28 transmitting S.B. No. 2121, SD 1, entitled: "A BILL FOR AN ACT RELATING TO OBSOLETE LAWS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 29 transmitting S.B. No. 2153, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ABUSE OF FAMILY OR HOUSEHOLD MEMBERS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 30 transmitting S.B. No. 2154, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PROTECTIVE ORDERS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 31 transmitting S.B. No. 2160, SD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 32 transmitting S.B. No. 2201, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SERVICE," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 33 transmitting S.B. No. 2308, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 34 transmitting S.B. No. 2354, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCESS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 35 transmitting S.B. No. 2535, entitled: "A BILL FOR AN ACT RELATING TO PROBATE," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 36 transmitting S.B. No. 2631, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PROPERTY RIGHTS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 37 transmitting S.B. No. 2639, entitled: "A BILL FOR AN ACT RELATING TO BURGLARY," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 38 transmitting S.B. No. 2667, entitled: "A BILL FOR AN ACT RELATING TO NO CANDIDATES FILED FOR AN ELECTIVE OFFICE," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 39 transmitting S.B. No. 2670, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 40 transmitting S.B. No. 2747, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 41 transmitting S.B. No. 2785, SD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 42 transmitting S.B. No. 2791, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO PAY THE SHARE OF HEALTH INSURANCE CARRIER REFUND AND RATE CREDIT AMOUNTS DUE TO THE FEDERAL GOVERNMENT," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 43 transmitting S.B. No. 2927, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 92F, UNIFORM INFORMATION PRACTICES ACT (MODIFIED)," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 44 transmitting S.B. No. 2939, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTEGRATED TAX INFORMATION MANAGEMENT SYSTEMS ACQUISITION BY THE DEPARTMENT OF TAXATION," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 45 transmitting S.B. No. 2946, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION APPEALS," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 46 transmitting S.B. No. 2947, entitled: "A BILL FOR AN ACT RELATING TO DISCLOSURE OF TAX INFORMATION," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 47 transmitting S.B. No. 3045, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," which passed Third Reading in the Senate on March 3, 2000.

Sen. Com. No. 48 transmitting S.B. No. 3182, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HOLIDAYS," which passed Third Reading in the Senate on March 3, 2000.

On motion by Representative Yonamine, seconded by Representative Pendleton and carried, S.B. Nos. 2056, SD 1; 2069, SD 1; 2120, SD 1; 2121, SD 1; 2153, SD 1; 2154, SD 1; 2160, SD 1; 2201; 2308, SD 2; 2354, SD 1; 2535; 2631; 2639; 2667; 2670; 2747, SD 1; 2785, SD 1; 2791; 2927, SD 1; 2939, SD 1; 2946, SD 1; 2947; 3045, SD 1; and 3182, SD 1, passed First Reading by title and further action was deferred, with Representatives McDermott, Menor, Morihara, Okamura and Santiago being excused.

At 9:19 o'clock a.m., Representative Oshiro asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9:20 o'clock a.m.

INTRODUCTIONS

The following introductions were made to the members of the House:

Representative Pendleton introduced 27 students from Mountain View Academy, accompanied by their teacher, Ms. Jennifer Morgan.

Representative McDermott introduced a "volunteer in our office," Ms. Arman Clemente.

At 9:22 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 9:50 o'clock a.m.

LATE INTRODUCTIONS

The following introductions were made to the members of the House:

Representative Goodenow introduced 12 adults from Hawai'i Job Corps, accompanied by their leader, Mr. Abi Brennan.

Representative Kahikina introduced his son Kanoi Kahikina, accompanied by his class at Nanakuli Elementary School and their teachers, Mrs. Kuahiwinui, Ms. Nie, Ms. Dela Santos and parent supervisors, who performed an oli for the members of the House.

ORDER OF THE DAY

COMMITTEE REFERRALS

The following Senate bills were referred to committee by the Speaker, as follows:

S.B.

Nos.

Referred to:

- 2056 Committee on Human Services and Housing, then to the Committee on Finance
- 2067 Committee on Judiciary and Hawai'ian Affairs
- 2069 Committee on Judiciary and Hawai'ian Affairs

- 2088 Committee on Finance
- 2120 Committee on Judiciary and Hawai'ian Affairs
- 2121 Committee on Economic Development and Business Concerns
- 2153 Committee on Judiciary and Hawai'ian Affairs
- 2154 Committee on Judiciary and Hawai'ian Affairs
- 2160 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2201 Committee on Legislative Management, then to the Committee on Judiciary and Hawai'ian Affairs
- 2293 Committee on Consumer Protection and Commerce
- 2308 Committee on Finance
- 2354 Committee on Legislative Management, then to the Committee on Finance
- 2512 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2535 Committee on Judiciary and Hawai'ian Affairs
- 2629 Committee on Judiciary and Hawai'ian Affairs
- 2631 Committee on Judiciary and Hawai'ian Affairs
- 2639 Committee on Judiciary and Hawai'ian Affairs
- 2667 Committee on Judiciary and Hawai'ian Affairs
- 2670 Committee on Judiciary and Hawai'ian Affairs
- 2747 Committee on Agriculture, then to the Committee on Finance
- 2785 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2791 Committee on Finance
- 2849 Committee on Judiciary and Hawai'ian Affairs
- 2850 Committee on Human Services and Housing, then to the Committee on Finance
- 2927 Committee on Judiciary and Hawai'ian Affairs
- 2939 Committee on Finance
- 2946 Committee on Finance
- 2947 Committee on Finance
- 3045 Committee on Legislative Management, then to the Committee on Judiciary and Hawai'ian Affairs
- 3118 Committee on Water and Land Use, then to the Committee on Judiciary and Hawai'ian Affairs
- 3182 Committee on Judiciary and Hawai'ian Affairs

SUSPENSION OF RULES

On motion by Representative Yonamine, seconded by Representative Pendleton and carried, the rules were suspended for the purpose of considering certain bills on Third Reading on the basis of a modified consent calendar. (Representatives Cachola and Okamura were excused.)

UNFINISHED BUSINESS

Stand. Com. Rep. No. 592-00 and H.B. No. 2185, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2185, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. As a Representative for the community that would be impacted by this bill, I humbly request that all legislators, my colleagues, follow suit.

"I would like to say, Mr. Speaker, as a Representative for the West Maui community, I met twice with the author of this particular bill called West Maui Heliport. And I had asked twice that the author take an opportunity to go back into the community which would be mostly impacted by a bill like this and inform them of their plans and the legislation itself. Twice I voted on this floor, Mr. Speaker, to allow this bill to continue to pass through the process based on the commitment of including the community.

"To date, Mr. Speaker, no community outreach has taken place. And since then, the awareness of this particular bill proposed has spread throughout the West Maui community. The community feels that this bill is an attempt to sidestep their opportunity for input and the land use process that is already established. As an advocate, Mr. Speaker, for public access and involvement, I recognize that this process is the mechanism for community input.

"So simply, Mr. Speaker, I want to ask that my colleagues consider that in the process, part of what we expect is that our communities would participate. And here simply is a bill that has gone forward in this process lacking that community participation simply because they were not informed of this bill. So my job today, standing before you as a Representative from this community, is now to allow this process to continue and to ask that this body here take into consideration my district's needs and concerns and support it in this process by voting this bill down.

"I thank my colleagues for giving me this opportunity and I would ask that you also vote no on this. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2185, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Third Reading by a vote of 36 ayes to 12 noes, with Representatives Ahu Isa, Arakaki, Catalani, Fox, Kahikina, Kaho'ohalahala, Lee, Luke, Morita, Pendleton, Schatz and Yonamine voting no and Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 593-00 and H.B. No. 2581, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2581, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF UNNECESSARY ADMINISTRATIVE RULES," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 594-00 and H.B. No. 2587, HD 1:

Representative Case moved that the reports of the Committee be adopted and H.B. No. 2581, HD 1; and H.B. No. 2587, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to speak in support of the measure, stating:

"Mr. Speaker, I'm rising to speak in favor of two bills. House Bill 2581 on page 1, and at the top of page 2, House Bill 2587 and I have some concerns I would like to express.

"Thank you, Mr. Speaker. I am in strong support of eliminating red tape. However, what I object to is the language in the bill itself. Many of us, primarily led by Representative Herkes, from the Big Island, have worked hard to eliminate red tape so business can proceed without unnecessary restraints. And with the Chair of EDB and those Committee members, some good measures have come through.

"What I object to, Mr. Speaker, is the politicizing of the bills, these two bills that are before us. The bills give credit to the Lieutenant Governor and to her 'Slice Waste and Tape or SWAT team. Mr. Speaker, to the credit of the Majority Party in the Legislature, you have not politicized legislation. You have been very good about this when measures came through a few years ago giving 'kudos' to the Democrat Party. The Chairs of the relevant committees eliminated that political language out of the legislation. And I give you great credit and your Party great credit for doing that.

"I think this bill is very inappropriate. It politicizes the bill, and this type of statement really belongs in the Lieutenant Governor's campaign literature when she runs for Governor. It does not belong in legislation going before this body. I hope as we move ahead, Mr. Speaker, that as these bills go to the Senate, maybe the companion Chairs can indicate that those provisions should be eliminated, and that the bill can just focus on eliminating red tape without giving the 'kudos' to Lieutenant Governor and her SWAT team. Thank you."

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.B. No. 2581, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF UNNECESSARY ADMINISTRATIVE RULES," and H.B. No. 2587, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPEAL OF NULL AND VOID ADMINISTRATIVE RULES," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 595-00 and H.B. No. 2464, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2464, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DUTIES OF THE BOARD OF NURSING," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 596-00 and H.B. No. 2798, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2798, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 45 ayes to 3 noes, with Representatives Fox, Marumoto and Whalen voting no and Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 597-00 and H.B. No. 303, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 303, HD 2, entitled: "A BILL FOR AN ACT RELATING TO IDENTIFICATION," passed Third Reading by a vote of 47 ayes to 1 no, with Representative McDermott voting no and Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 598-00 and H.B. No. 1940, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1940, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COURT APPOINTED COUNSEL LEGAL FEES," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 599-00 and H.B. No. 2060, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2060, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 600-00 and H.B. No. 2570, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2570, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOATING SPECIAL FUND," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 601-00 and H.B. No. 2573, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2573, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SPECIAL FUNDS OF THE LAND DIVISION," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 602-00 and H.B. No. 2653, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2653, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

Stand. Com. Rep. No. 603-00 and H.B. No. 2876, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2876, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Okamura and Yamane being excused.

The Chair directed the Clerk to note that H.B. Nos. 2185, 2581, 2587, 2464, 2798, 303, 1940, 2060, 2570, 2573, 2653 and 2876 had passed Third Reading at 10:00 o'clock a.m.

Stand. Com. Rep. No. 684-00 and H.B. No. 1760, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1760, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Whalen rose to speak in opposition to the measure, stating:

"Mr. Speaker, I realize this is an awfully good, 'feel good,' measure and there's a lot of emotional testimony for the measure. However, during the hearing, there was very little actual testimony as to the significant need to require everyone under the age of 18 to wear seat belts. The original draft of the bill required everyone.

"I inquired as to the rightful place of government to intrude that far into the privacy of people's lives and in fact, other states in our Nation have ruled that in matters similar to this that it is too far an intrusion of government encroachment on the right to privacy. Here what we've done is everyone under the age of 18 has to wear a seat belt if they're in a vehicle. However, I find it contrary to other policies which we promote in this Capitol which allow a 14 year old girl to consent to an abortion without any parental consent. That she's mature enough for that, which is, in any medical sense of the term, a very dangerous operation, yet these same people three years later at the age of 17 are unable to make the decision to wear a seat belt or not.

"I feel it goes too far in the totalitarian government mode and we need to let people start making their minds up for themselves. Thank you."

Representative Rath then rose in opposition to the measure and asked that the remarks of Representative Whalen be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Hiraki then rose to speak in support of the measure, stating:

"Clearly, at the hearing, everyone that spoke on this measure testified in favor of the measure. The bill is designed to save lives. In fact, there was a parent of a young daughter who was ejected from the back seat of the car that was involved in an accident and she died. And if you listen to her testimony, it's very emotional. I would submit that she would be alive today if we had this law in place.

"Of course, there are those that are going to say that this is an unnecessary government intrusion into the private lives of individuals, but I'd like to submit that when it comes to protecting our youth, our minors, we have taken a very paternalistic role. And it is government's role to take that paternalistic role in protecting the lives of our youth. And if you look at other areas of law, we have a 'zero tolerance' law in driving under the influence of alcohol where we protect the youth drinking alcohol. Front-seat seat belts, we require front-seat seat belts.

"And those that argue that there is too much government intrusion in these particular measures, I think will now turn around today and say those are good laws. Front-seat seat belts do save lives. 'Zero tolerance', it works. It keeps kids from driving under the influence of alcohol and it saves lives.

"So this bill is just an evolutionary extension of existing laws and again, it is the Legislature's right place in protecting or intruding, if some people want to look at it that way, into the lives of protecting our youth. Thank you very much."

Representative Marumoto then rose in support of the measure and asked that the remarks of Representative Hiraki be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Marumoto continued, stating:

"I just want to simply point out that 19 states apparently already require back seat buckling up, so we are not alone. Thank you."

Representative Whalen then rose to speak in rebuttal, stating:

"I'll be brief, Mr. Speaker, just a short rebuttal. I find it ironic that one of the prior speakers talked about the importance of youth and when the bill came out of the Transportation Committee it applied to everyone if they were 100 years old or if they were five years old.

"Finally, the testimony, and this was exactly my point, testimony was emotional. The gentleman that spoke showed us a picture that looked an awful lot like a graduation picture of his daughter saying that she died and it certainly was touching testimony. But there was no testimony directly on point and that is, I guess, something that bothers me. Maybe it does come from my deputy prosecutor background that testimony lead up to the conclusion. The testimony in this case was if 120 people die per year on average, of that 120, it's only eight that are in the back seats of cars. Of the 120 people that died, more than half of them had their seat belts on.

"In order to use testimony effectively, which I hope we all use logic, there has to be a cause and effect, a direct relationship between if this law were enacted and obeyed, would it save lives? In general, of course it would, but what is the significant impact, eight lives a year. I asked the question, how many accidents are there? No answer. How many accidents are there where people are wearing seat belts in the back seat and they're not injured? No answer. There was a testimony that people who don't wear seat belts in the back seats become projectiles, end up often killing or seriously injuring the people in the front seat. I asked for any testimony, any statistics from the Department of Transportation to back up that statement. They could give me none. I asked for them to give it to me later on in support of their position, and it's been at least two weeks now and I haven't gotten anything from them.

"If this is such a critical measure, in order to do this, if the statistics are so far in their favor that we need to do this because so many people are dying each year because of not being buckled up in the back seat then again, they should be able to provide those statistics. And finally, putting emotion aside, along with the helmet law and everything else, it's the parents job to teach their children what is safe, what they should do and shouldn't do. It's not the role of government to be the parent and force people to raise their children in a certain way. I say 17 years old is too old for the government to be telling parents, 'get out of the way. We know how to do your job better than you do.' Thank you."

Representative Leong then rose to speak in support of the measure, stating:

"Just three weeks ago, an 18 year old senior flipped out of the back of a car. Three of the children or students didn't have their seat belts on and they were on their way to the beach. But another car came along and hit them, she flipped out of the car, hit her head on the curb, and today is forever paralyzed. So I think whether we can save one person from serious injury, we should consider this bill very highly. Thank you, Mr. Speaker."

Representative Hiraki then rose to speak in rebuttal, stating:

"Just a rebuttal to the speaker from Kona. In evaluating these types of bills, statistics are statistics. They're very cold. If the previous speaker is saying that just because only eight people die a year from back seat injuries, then that threshold is somehow insufficient to justify this law. I'm not motivated by statistics. I don't believe there is a certain number out there and once we reach that number then we pass a law. What should it be 10, 20, 30? I really think that when we look at serious injury to our keiki, one is enough for me. And if this particular bill prevents at least one keiki from being injured then that makes it all worthwhile. Thank you."

Representative Lee then rose to speak in support of the measure, stating:

"Just brief comments, we're talking about death from injuries created by lack of use of a seat belt, but it's actually the traumatic brain injury that's so devastating to a child. It's a life long injury. For that reason, like what Representative Hiraki said, if we save one child from that kind of injury it's worth it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1760, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Third Reading by a vote of 46 ayes to 4 noes, with Representatives Halford, Meyer, Rath and Whalen voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 685-00 and H.B. No. 1899, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1899, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose in strong support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Thielen's remarks are as follows:

"Many people are not aware that present law does not mandate drivers to stop when a pedestrian has entered the crosswalk. Drivers merely have to yield to a pedestrian if the driver thinks it is necessary. We are all aware of how risky it is to use a crosswalk, since most drivers do not yield to pedestrians. This bill would require all drivers to come to a complete stop when a pedestrian enters the crosswalk.

"There were three hundred deaths in Hawai'i from 1988 through 1997; these were on the island of O'ahu alone. The majority of these deaths may have been prevented had our state mandated drivers to "stop" when pedestrians enter crosswalks.

"I believe HB 1899 to be a tremendous step forward in preventing needless injuries and deaths on Hawai'i's roadways. However, we have not completed the job. HB 1899 was amended to apply only to two lane roads. We need to put the language from HD 1 back into the bill, and I hope this will be done during the Senate hearings. In that way HB 1899 will create safe crosswalks on two and four lane roads."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1899, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATEWIDE TRAFFIC CODE," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Luke and Yamane voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 686-00 and H.B. No. 2513, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2513, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED CORPSES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 687-00 and H.B. No. 2557, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2557, HD 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL SAFETY AND HEALTH," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 688-00 and H.B. No. 2691, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2691, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DRIVING UNDER THE INFLUENCE OF DRUGS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 689-00 and H.B. No. 2895, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2895, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 690-00 and H.B. No. 1844, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1844, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Thielen's remarks are as follows:

"The purpose of this Act is to appropriate funds for the development and implementation of protocols and the special training of paramedics in the treatment and care of domestic violence patients.

"We can all agree that domestic violence is a public health problem that needs priority attention from the medical community. I'd like to direct your attention to some disturbing facts.

"The Hawai'i Crime Brief issued by the Attorney General in April, 1996 found that nearly 30 percent of all homicides from 1985-1994 in Hawai'i were the result of domestic violence.

"The Department of Health's plan for the prevention of injuries in Hawai'i (June 1995) reported that between 1989 and 1994 almost one hundred women were killed by men. Most of the killers were partners, boyfriends, husbands, or acquaintances.

"A study conducted by the Hawai'i State Commission on the Status of Women (1993) estimated that nearly 50,000 women in Hawai'i between the ages of 18 and 64 have been victims of domestic violence.

"The Council on Scientific Affairs, American Medical Association, has reported that at least one in five women seen in the emergency room present symptoms relating to abuse.

"Emergency services personnel must learn to detect victims of domestic violence so intervention can begin. Detection of current trauma-related domestic violence injuries is critical because it identifies patients at high risk for future, recurrent injury. Intervention can help the victim avoid subsequent battering.

"Given the danger of recurring and escalating injuries combined with the prevalence of domestic violence among female patients, EMS agencies should establish comprehensive programs that include policies, procedures, and training necessary to guide personnel in identifying and caring for domestic violence victims.

"According to researchers from the Medical College of Pennsylvania, 'To treat a battered woman's medical and/or surgical problems without recognizing that she has been chronically battered without offering essential service is simply bad medical care.'

"Violence involving women should be treated as a health concern and the health care setting used as an opportunity to identify and assist victims of abuse. This bill accomplishes this important objective."

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"The first people a battered woman sees after suffering physical abuse is often the emergency medical response team.

"This measure is beneficial not only to the victims of domestic violence, but to those emergency medical technicians, as well. If the paramedics have proper training, they will be more confident in dealing with these sensitive situations, and will be better able to address the emotional and physical needs of the patients. Conversely, if the workers are not properly trained, they may feel hesitant and unsure of their abilities to treat the victims.

"It is important to remember that domestic violence abuse goes far beyond the visible signs of abuse. There are many "secondary" effects of abuse that would otherwise go undetected and untreated if medical personnel were not trained to detect. Domestic violence can manifest itself into less visible distress such as gastrointestinal disorders.

"Because emergency workers are the first contacts with victims, it is key that they know that they are dealing with a domestic abuse situation. I believe that most doctors and nurses will tell you that information they receive from paramedics is indispensable in treating the patient. Domestic violence patients are often reticent, and retreat into a shell, making diagnosis and treatment that much more difficult for hospital staff. With an informed paramedic, however, a doctor's or nurse's work can be done more effectively, efficiently, and sensitively.

"This measure is not merely a social issue, but a public health issue, as well. The January 20th Star-Bulletin reported that one-third of the women in the world have suffered some kind of abuse.

"Testimony was heard from the Department of Health on this matter, and revealed a heartbreaking story. One hospitalized woman told her treating physician that she could not die that day -- to please keep her alive for just one day. It was her son's birthday, and she didn't want him to always think of his birthday as the day his mother died."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1844, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE DEVELOPMENT OF PROTOCOLS AND THE SPECIAL TRAINING OF PARAMEDICS IN THE TREATMENT OF DOMESTIC VIOLENCE PATIENTS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 691-00 and H.B. No. 1846, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1846, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Marumoto rose to speak in support of the measure, stating;

"Mr. Speaker, I rise in support of HB 1846 that makes an appropriation for the Good Beginnings Alliance. The original bill appropriated out of the general revenues the sum of \$150,000 provided that it is matched by private resources. I am hoping at least that amount will be in the budget bill at session's end.

"The GBA was originally envisioned as a collaborative effort between state government, private business, and the childhood care and education community. GBA has traditionally been able to raise significant amounts from private businesses and from charitable grants. This is not a reason to cut back on the

appropriation, but an opportunity for the State to demonstrate its support and leadership for this worthwhile endeavor.

"GBA enhances early childhood education and health services so necessary for our growing children and will allow them to grow into productive adults.

"I think we must all remember that 'good beginnings' will certainly lead to 'happy endings'. Thank you."

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"The Good Beginnings Alliance is a program that helps children who need it the most. Hawai'i's public school system has received consistently poor grades when compared to the rest of the nation, and a contributing factor to this is the fact that many young children start school unprepared to learn.

"The Joint Legislative Committee on Early Childhood Education and Care believes that success in school will be realized only when the state enhances, develops, and coordinates early childhood education and care services. The GBA does just that.

"The GBA is a critical link for early childhood education and care efforts, as it is the focal point for policy development, public funds disbursement, and implementation of early childhood community plans.

"Children will more likely be ready to succeed in school if we continue to support the Keiki Play Mornings. This program, along with other community-based initiatives, help children to become socialized. This social success can only translate into academic success. Children that interact well with their peers on a social level, already have started on the road to academic success. Good socialization among peers leads to a "support system" thus encouraging success for all children. The fewer isolated children, the better.

"Through the GBA, the Legislature will be able to continue to monitor the development of a coordinated system that is dedicated to enhancing and developing early childhood education and care services.

"Recent research reveals that infants' brains develop earlier and more rapidly than previously understood, and that the early years of childhood are most crucial in the child's cognitive, emotional, social, and physical development. Thus, early childhood education and care programs can lead to school success, reduced delinquency and crime, and better job opportunities and productivity in both the short and long-term.

"We pride ourselves on being 'the Health State.' The only way we can truly be 'the Health State' is if we ensure that our people are physically, mentally, and socially healthy.

"This measure is pro-children and pro-education, and I strongly urge its passing."

Representative Arakaki then rose to speak in support of the measure, stating:

"I also want to speak in favor of Standing Committee Report 691, House Bill 1846. I thought the Minority Leader spoke very eloquently and I would just like to have her words inserted into the Journal as my own and I'll add additional comments to the Journal," and the Chair "so ordered." (By reference only.)

Representative Arakaki's additional remarks are as follows:

"Thank you, Mr. Speaker, for this opportunity to speak in favor of the passage of HB 1846 making an appropriation for the Good Beginnings Alliance.

"Mr. Speaker, in 1993, the Legislature formally recognized the Good Beginnings Alliance as a needed vehicle to: (1) coordinate the funding and program efforts of agencies working to enhance early childhood education and care; and (2) be the mechanism for leveraging private funds to match public appropriations.

"Since the establishment, the Good Beginnings Alliance has indeed coalesced community agencies and raised nearly one million dollars in private funds. However, no state funds have ever been appropriated. This bill will correct that omission.

"Not only is Good Beginnings a sound fiscal investment -- attracting a dollar for every dollar appropriated -- it is also an essential investment in our children and our community's future.

"All research conducted over the last six years has only buttressed and given more weight to the critical brain and social development which occurs in the early years of a child's life. Emotional nurturing, intellectual stimulation and nutritional strength lay the foundation for all later success, in school and in life.

"I urge my colleagues to support this bill--no other investment we make this year will give back as much to the state and people of Hawai'i. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1846, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE GOOD BEGINNINGS ALLIANCE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 692-00 and H.B. No. 1994, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1994, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Abinsay rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Abinsay's remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 1994, HD 2, Stand Com Report 692-00 - Making an Appropriation for Agriculture.

"Mr. Speaker, members of the house, the purpose of this bill is to provide funds to maintain current minimum levels of agricultural research and development at the Hawai'i Agriculture Research Center (HARC).

"Mr. Speaker, HARC as a non-profit institution, requires its members and clients to contribute to the funding of research on behalf of their commodity group. Its focus of research is new product development. The Agriculture Committee amended this bill to increase the appropriation to \$1 million because we believe that the public sector needs to support agricultural research and development. Research and development, Mr. Speaker, creates new products and new products are critical for Hawai'i's sustainable agricultural commodities. We believe that HARC provides an excellent model for the future of private and public partnership. HARC has evolved into an institution that leverages public agriculture research dollars with private dollars and providing a good return on public investment. HARC utilizes both state and federal funds in establishing these partnerships. Public and private partnerships in agricultural research yield important benefits.

"Therefore, Mr. Speaker and members, I urge you to support his important measure and urging private agricultural industries to contribute to HARC's efforts. Thank you, Mr. Speaker!"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1994, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 693-00 and H.B. No. 1955, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1955, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE CORRECTIONS POPULATION MANAGEMENT COMMISSION," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

At 10:13 o'clock a.m., Representative Goodenow asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:14 o'clock a.m.

The Chair directed the Clerk to note that H.B. Nos. 1760, 1899, 2513, 2557, 2691, 2895, 1844, 1846, 1994 and 1955 had passed Third Reading at 10:15 o'clock a.m.

Stand. Com. Rep. No. 694-00 and H.B. No. 1969, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1969, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Garcia rose to speak in support of the measure, stating:

"Mr. Speaker, by way of an announcement actually, this program will be featured at tomorrow's third and final New Economy Day. The Manufacturing Extension Program was responsible for the start-up of a number of the Association's programs that we have been featuring in the New Economy Days. The first one being the hi-tech industry and tomorrow will be featuring the food manufacturers, the forestry industry and the fashion design industry. So the members will be notified further today with more letters of invitation and the badges that they will be asked to wear for tomorrow's program. But again, this Manufacturing Extension Program will be a featured highlight at tomorrow's event. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1969, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO MATCH FEDERAL FUNDS FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 695-00 and H.B. No. 2066, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2066, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII FACILITIES USE REVOLVING FUND," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 696-00 and H.B. No. 2243, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2243, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Moses rose to speak in support of the measure, stating:

"The veterans cemeteries of Hawai'i, Kauai, and Maui counties are a memorial to our Nation's war dead. Brave men and women who gallantly served their country protecting the liberty we all enjoy today.

"I'm pleased to see the Legislature taking steps to ensure that these places of honor will remain in an honorable condition. House Bill 2243 recognizes that these State veteran cemeteries have fallen victim through inadequate care and maintenance brought on by a decade old avoidance of their needs. The State of Hawai'i is charged with the responsibility of providing funds for the upkeep of these veteran cemeteries. And as indicated by the present funding amount, which remains at 1990 levels, has become derelict in its duties.

"Since fiscal year 1993, a fifty-fifty cooperative effort between the State and National Cemetery Grants System Program has provided for the upgrade and expansion of five Neighbor Island veteran cemeteries as well as the construction of two new cemeteries. While over \$4 million in State and federal funds have been spent on Neighbor Island veteran cemetery construction, no increase in funding levels for maintenance and upkeep have been appropriated. The outlying counties are crippled by maintenance funding levels from 10 years ago.

"House Bill 2243 provides more funds to maintain veteran cemeteries so that they duly respect and honor those that have served. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2243, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR VETERANS CEMETERIES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 697-00 and H.B. No. 2252, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2252, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 698-00 and H.B. No. 2309, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2309, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Goodenow rose in support of the measure with reservations and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Goodenow's remarks are as follows:

"While I am in support of HB 2309, I have some reservations. The Department of Land and Natural Resources testified at the Finance Committee that in processing this application a Conservation District Use Application (CDUA) an environmental assessment would be required. The CDUA has already been submitted and the 180-day processing period expires on June 7, 2000. Requests for agency comments have been sent out and the draft environmental assessment was posted in the OEQC 'Environmental Notice'.

"Furthermore, according to DLNR, 'in accepting the Cдуа, the Chairperson [Board of Land and Natural Resources] identified that a public hearing would be required pursuant to rule'. The public hearing has not yet been scheduled, but may be held in Kona sometime in March 2000.

"This proposal is clearly in the very preliminary stages of the process. There is some merit in keeping a vehicle alive, so that in the case of overwhelming public demand, or the completion of the Board of Land and Natural Resources' approval process, quick action can be taken."

Representative Rath then rose to speak in strong support of the measure, stating:

"I'll be very brief. I'd like to express my thanks to Dr. Earl Bakken, who is making this public beach for people in Kona available via the swap. He's swapping around \$2 million worth of beach front property, the old Loretta Lynn house and property for about \$600,000 worth of lava rock behind his existing house. So I'd like to express my thanks to him for making these public lands available. We all know in West Hawai'i how few beaches there are, and additionally, to the former Representative David Tarnas for lobbying this and additionally to the members of the House for moving this measure forward. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2309, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND EXCHANGE IN NORTH KONA," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 699-00 and H.B. No. 2354, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2354, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Moses rose to speak in support of the measure, stating:

"This appropriates funds to support the 50th Anniversary of the Korean War Commission. Several months ago my father-and mother-in-law left Honolulu to visit Korea, their former home. I first met my father-in-law, Mr. Chong, when I was a Marine Corps officer assigned to the United Nations Command, ROK (Republic of Korea) -- United States Combined Forces Command and U.S. Forces Korea. He was a Korean national employee of the U.S. Army and we worked together planning and running major exercises and became friends.

"Mr. Chong invited me into his home in Wonju several times. I met his wife, my future mother-in-law and three of their five daughters. The two eldest daughters were away in Seoul where one was working to put the other through college. My duties took me from Hawai'i to Korea for extended periods several times a year. I started and ended each stay in Seoul. But during each travel I visited Inchon, Taegu, Pusan, P'anmunchom and other areas as well as Wonju.

"A few years after beginning my work with Mr. Chong, I was attending a function at the British Embassy in Seoul and met his eldest daughter. After many months and several visits, we fell in love, married in Hawai'i, where she immigrated and now have four, unusually, above average children.

"Seeing Mr. and Mrs. Chong lift off to Korea made me think about their homeland. I was there as a Marine because we were still at war in North Korea, Mr. Speaker. Yes, there is an armistice - a fancy word for cease fire - but 37,500 American service men and women remain in Korea to help defend our friend and ally. Seoul, the capital of the Republic of Korea is within artillery range of North Korea. Tunnels under the demilitarized zone (DMZ) are regularly discovered, through which North Korea can send troops to invade the South. U.S.

and ROK soldiers have been captured or killed patrolling the DMZ or while trimming trees. North and South Korean warships exchanged fire in June of last year and a North Korean vessel was sunk. North Korean spy submarines were captured still delivering saboteurs in the South.

"North Korea is a bizarre regime that cannot feed its own people. It shakes down the rest of the world for food and other assistance in return for not building nuclear weapons or launching missiles at Japan. North Korea may have missiles that can reach Hawai'i. Last year, North Korea declared they did like the sea border between themselves and the Republic of Korea. And they declared a new one.

"They are, of course, threatening to use force to protect the new boundary. In the early days of the United States, our statesmen would declare 'millions for defense, but not one cent for tribute.' How do I explain to Mr. Chong, now a U.S. citizen, why the U.S. continues to bribe North Korea to be good? Can anyone even imagine the current administration taking a hard line with North Korea or the Peoples Republic of China?

"Mr. Speaker, I have the pleasure of serving in the House of Representatives with Cynthia Henry Thielen, a descendant of the great Patrick Henry of Virginia. Patrick Henry got it exactly right in 1775 when he said:

'Is life so dear or peace so sweet, as to be purchased at the price of chains and slavery? Forbid it, Almighty God, I know not what course others may take; but as for me, give me liberty or give me death.'

"Millions of people slave under the North Korean yoke and we continue to support their government. How do I explain this to Mr. Chong, Mr. Speaker?

"Neither Mr. Chong nor I want to restart the Korean War. He was in the South Korean Army during the Korean War and his wife was pregnant with my wife when she had to flee the invading North Koreans and Communist Chinese."

At this time, Representative Pendleton yielded his time to Representative Moses.

Representative Moses continued, stating:

"They know what it is like to be driven from one's home by war. The artillery fire of the war deafened my wife's grandmother. Nor do we want to see thousands of North Koreans starve to death. But paying tribute to North Korea is not the answer either. Our foreign policy should be based upon principles, not expediency. United States must stand for freedom and democracy throughout the world. Otherwise, we are just a worthless international bully.

"We must support people who love freedom, such as those in South Korea and Taiwan, and oppose governments who rule by force, such as those in North Korea and the Peoples Republic of China. I am willing to be judged by those who are my friends. Sadly, at this time, the United States cannot say the same.

"We, here at the Legislature, have an opportunity to honor the sacrifices of hundreds of thousands of Americans and Koreans -- ordinary people who fought for their own freedom or the freedom of others. We also have opportunity to recognize the sacrifices of those who guard the border between North and South Korea. The border between democracy and dictatorship, between freedom and slavery, and between capitalism and communism. Please join me in voting for this bill and tell the people of Hawai'i and Korea that we do remember what we were fighting for in Korea and that we still believe in liberty. Thank you, Mr. Speaker."

Representative McDermott then rose to speak in support of the measure, stating:

"I'll be very brief, Mr. Speaker. As the other former Marine officer in this body, I feel compelled to make a few comments. It's to remember those veterans who served during the Korean War. There's an interesting story I can tell you. When Chesty Puller, I think he was a Marine General or Colonel at the time, he was surrounded at the Chosan Reservoir and you see those guys with the hats -- the Chosan few -- the Marines were surrounded and a young Marine came up to Chesty Puller and he says, 'Colonel, we're surround.' And this comment typifies the spirit, Chesty Puller said 'Good, I got them right where I want them, I can attack in any direction.' I think that's the spirit that we should remember. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2354, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 700-00 and H.B. No. 2374, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2374, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE UNIVERSITY OF HAWAII COMMUNITY COLLEGES SYSTEM," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 701-00 and H.B. No. 2375, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2375, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE UNIVERSITY OF HAWAII AT MANOA," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 702-00 and H.B. No. 2405, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2405, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Meyer rose to speak in support of the measure with reservations, stating:

"This is a bill relating to pesticides and there are many additions to the existing law that I think are positive and appropriate. This adds the definition of 'integrated pest management' and the use of funds for the development of an IPM strategy.

"I also support the automatic exemption from Hawai'i's pesticide law when EPA exempts a pesticide from its regulatory requirements. In fact, I introduced a bill last year to try to get that to happen and so I'm please to see that in this bill.

"But what I am concerned about is the addition of personnel expenses on page 3, line 1 as authorized uses for the special fund's money. This special fund is referred to as the Pesticide Use Revolving Fund. It was created to help educate people on how to safely use herbicides and pesticides and the money is collected from licensing and registration fees and charges collected by the Department. All fees collected by the Department through the collection of training fees, when they give classes to people they collect fees. But by adding personnel, we've just opened up a huge array of cost to be funded by this revolving fund and that was not the purpose when the revolving was first developed. As the bill stands now, it will fund four personnel from the Pesticide Division. It's worded in such a way that it's sort of an open door. We can

continue to raise the fees for licensing for various products. In fact, we did more than double these fees about two years ago. I feel that if it's something we think is important, it should come out of the general fund.

"This bill is just one of many that we are considering this session that is transferring salaries to various special funds and I believe that's kind of a dangerous procedure because it takes the purview away from the Legislature. And it's not what the original fund was developed for. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2405, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PESTICIDES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 703-00 and H.B. No. 2406, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2406, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 1969, 2066, 2243, 2252, 2309, 2354, 2374, 2375, 2405 and 2406 had passed Third Reading at 10:30 o'clock a.m.

Stand. Com. Rep. No. 704-00 and H.B. No. 2410, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2410, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 705-00 and H.B. No. 2427, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2427, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GEOGRAPHIC INFORMATION SYSTEMS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 706-00 and H.B. No. 2432, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2432, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LOW-INCOME HOUSING TAX CREDIT," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 707-00 and H.B. No. 2444, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2444, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 708-00 and H.B. No. 2497, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2497, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE INTERNET PORTAL," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 709-00 and H.B. No. 2553, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2553, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 710-00 and H.B. No. 2555, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2555, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION SPECIAL COMPENSATION FUND EXPENSES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 711-00 and H.B. No. 2568, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2568, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE PARKS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 712-00 and H.B. No. 2569, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2569, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMERCIAL FISHERIES SPECIAL FUND," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 713-00 and H.B. No. 2574, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2574, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SPECIAL LAND AND DEVELOPMENT FUND," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2410, 2427, 2432, 2444, 2497, 2553, 2555, 2568, 2569 and 2574 had passed Third Reading at 10:31 o'clock a.m.

Stand. Com. Rep. No. 714-00 and H.B. No. 2594, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2594, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Fox rose to speak in opposition to the measure, stating:

"Mr. Speaker, I'm sure there's some good intentions behind this bill, but I would like to call the members attention, and your attention, to the fact that this bill was strongly opposed by the City Prosecutor when it came before the Finance Committee.

"This is a bill to repeal a mandatory minimum imprisonment terms for Class B and C offenses involving the possession or distribution of methamphetamines or crystal meth. The testimony of the City Prosecutor pointed out that when the Legislature passed the mandatory minimum sentences in 1996 it referred to the serious damage that crystal methamphetamine was doing in this community. The Legislature cited that methamphetamines, there's a high correlation between its use and violent crimes, such as arson and domestic violence. These same problems continue today, nothing has changed, basically,

in the methamphetamine situation. The dangers from this drug are just as serious today as they used to be.

"Now the Prosecutor very cogently points out that we have a Drug Court. And the Drug Court deals with people who are subject to Class B and C mandatory sentencing. The Drug Court works because this hammer hangs over the people that go into Drug Court. They know that if they don't cooperate with the Drug Court, they will be subject to mandatory sentencing. And that's one reason the Drug Court has worked so well for the 160 plus individuals that have gone through the program, 65 of whom would not have gone into Drug Court if it weren't for this mandatory sentencing.

"In addition, the Prosecutor points out if the problem is drug treatment, if that's what these people need, then they should get it within the prison system that has already subjected them to the mandatory sentencing. In the strongest possible terms, the City Prosecutor urges this bill not be passed. I'm going to vote no and I hope that a majority of my colleagues join me in voting no. Thank you, Mr. Speaker."

Representative Moses then rose to speak in opposition to the measure, stating:

"This is another case of fixing something that isn't broken.

"Mr. Speaker, we enacted mandatory minimum terms of imprisonment for the distribution and/or possession of methamphetamines back in 1996. We looked at a lot of concerns about the correlation between methamphetamine use and violent crimes, the danger posed in the manufacturing of this terribly addictive drug, and the dangers posed to the users themselves and their families. None of these concerns have changed as far as the people are concerned.

"This bill proposes to require participation in drug treatment and education programs. I can see the merits of the drug treatment and education in reducing recidivism rates. I have concerns that we are headed in the wrong direction with this legislation. Those who would support this bill point to prison overcrowding with non-violent offenders as a reason for the bill. Those non-violent offenders are already eligible, as my colleague stated just a minute ago, through the Drug Court, and the choice is of dismissal of charges for successful completion of a drug treatment program. A mandatory term of imprisonment is a powerful incentive to get treatment, which is the goal.

"There's already a system in place that is working, Mr. Speaker. Non-violent users are being given a chance to make a decision to change their lives for the better. Those who would distribute and manufacture this poison are being sent to prison where they will not endanger our children.

"It seems the issues of prison overcrowding and non-violent methamphetamine use are mixed in with the issue of mandatory minimum sentencing. If we want to get to the heart of the problem, let's talk about private correctional treatment facilities, such as the one proposed in House Bill 2741, not about 'mucking' around with something that works. Let's talk about providing the resources to support something that is working, rather than changing good law midstream. I urge all my colleagues to vote against this legislation for the reasons I've stated. Thank you, Mr. Speaker."

Representative Saiki then rose to speak in support of the measure, stating:

"The offense of promoting a dangerous drug applies to various drugs, such as heroine, morphine, and cocaine; but the mandatory sentence only applies to methamphetamine.

"I'd like to make three points in support of this bill. First, one purpose of this bill is to allow the judge to impose sentences based on the circumstances of the respective

defendant. Your Committee on Judiciary learned that in practice there already is a discretionary component to this law because prosecutors take it upon themselves to determine which defendants are and are not deserving of a mandatory sentence. The prosecutors then strike language referring to the possession of methamphetamine in the formal charge so that a mandatory sentence will not be imposed.

"Your Committee believes that if there is to be discretion it belongs with the judge and not the prosecutor, and perhaps this is one reason why the prosecutor was so vehemently in opposition to this measure.

"The second reason is that the real effect of the current law is only to punish first time offenders since repeat methamphetamine offenders are already subject to mandatory minimum sentences under the repeat offender sentencing statute.

"And finally, this bill still contains safeguards. It allows non-violent offenders to be sentenced to participate in the drug court. And it also requires defendants to undergo community-based treatment at his or her expense. Thank you."

Representative Whalen then rose to speak in opposition to the measure, stating:

"The gist of the testimony in favor of this did come from two groups. One of them, obviously, has an interest in not having the prosecutors use their discretion. However, the form of legal system that we have with district attorneys or prosecutors, as in this State, discretion has always rested in that office. In fact, there are volumes of case law that support the prosecutor's option to charge cases or reduce cases so long as there's evidence consistent with the case and leave that discretion to the prosecutors.

"There's no mystery as to why certain interests would not want the prosecutors to have that discretion. It's a tool in their bag as they go about prosecuting cases in order to consider various factors in working out their plea agreements and that's why they have this discretion.

"Certainly, if you were representing a defendant, you would want to take away as many tools as you could from the bag of your opponent. And that's basically what this bill does. The testimony was quite clear that the system is working because of the mandatory minimums. That is one of the key reasons why the Drug Court is working. That these alternative programs are the reason why people are so willing to go in there and work so hard to stay in them and not get kicked out for violating the rules. You take this away and you take away the motivation because in practical effect the judges are aware of overcrowding, and they will look for every reason under the sun not to send someone to prison if they don't have to. And first time offenders very rarely get jail for drugs as long as they're not killing somebody or violent, and will sentence them to probation.

"For those reasons, Mr. Speaker, I oppose this bill."

Representative Rath then rose in opposition to the measure and asked that the remarks of Representative Whalen be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2594, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DANGEROUS DRUGS," passed Third Reading by a vote of 38 ayes to 12 noes, with Representatives Ahu Isa, Auwae, Chang, Espero, Fox, Leong, McDermott, Meyer, Moses, Rath, Stegmaier and Whalen voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 715-00 and H.B. No. 1758, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1758, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE DRIVER LICENSING," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Halford voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 716-00 and H.B. No. 1947, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1947, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Meyer rose to speak in opposition to the measure, stating:

"Mr. Speaker, I rise to speak in opposition to HB 1947, HD 2. This legislation, designed to be a disincentive to the taking of sharks, makes false assumptions about the harvesting of sharks at sea and ignores factors which enter into the picture of the shark fin industry in Hawai'i. The end result is a piece of flawed legislation that will have little impact on the species it is designed to protect and great impact on the people it ignores.

"Shark finning has been highly visible in the media lately, with most reports being critical of the practice. HB 1947 HD 2 requires that sharks be landed whole in order to discourage finning because it is 'wasteful and inhumane'. No longliners go out to specifically fish for sharks, the catch is incidental to their main harvest. By using language which prohibits the trade in shark fins that were 'knowingly harvested for sale,' the bill side-steps the real-life situation at the point of harvest, that the fins are an incidental catch. The fishermen are not out fishing for sharks. They put out hundreds of hooks, baited hooks on longlines that are in the water sometimes for over 24 hours and when they pull them up sometimes they have sharks.

"The bill allows traffic in fins from sharks that were landed in port whole, and in doing so allows finning at the dock, the longliners just can't do it at sea. If sharks were brought in their whole carcasses would just be dumped at the docks, as the fin is the only marketable part, at present.

"Finning of incidentally caught sharks has been going on for a long time in all the world's oceans. The impact of this bill will be to drive the shark fin trade underground in Hawai'i while doing little to curtail this profitable practice in other markets. The longline boats that harvest the fins of incidentally caught sharks would merely bypass Hawai'i as a transshipment point and resupply destination. Local businesses that depend on provisioning and servicing the world's fishing fleets are operating on thin margins and cannot afford to lose revenue from boats bypassing Hawai'i.

"A better course of action might be to treat the fins as a real fishery and support it, requiring reporting and taxation. This would have the benefit of gathering information on this industry and enable us to act on facts, real data, instead of emotions.

"For this reason, Mr. Speaker, I'm in opposition of this bill and I urge my colleagues to think again about this and hopefully vote against this measure. Thank you, Mr. Speaker."

Representative Schatz then rose to speak in support of the measure, stating:

"Let me address some of the points one by one. First of all, this is presently an underground trade. This is all black market transshipments. No general excise tax is collected and no proper records are kept.

"Shark finning has been banned in 17 of 19 coastal states. The United States House of Representatives passed a

unanimous resolution in opposition to shark finning. We are now known internationally as 'Fin Central.' Typically, fisheries experience boom and bust cycles and there's no way to determine the health of a fishery until it is too late. Shark fisheries that have crashed along the Atlantic seaboard have similar levels of increase in the catch rates that the Pacific is currently experiencing. And opponents for proper resource management in the Atlantic employed the same faulty arguments as those being put forth today.

"The National Marine Fishery Service is the agency that by federal statute informs WESPAC, the Western Pacific Fisheries Regional Management Council, with the scientific data for their management policies. National Marine Fishery Service has repeatedly demanded that WESPAC change their policies, but WESPAC ignores their part parent scientific agency.

"Regarding the dumping of the carcass at the docks, I think it's really unlikely that somebody is going to land a 10 foot long, 250 pound shark just for the purpose of selling the fins. It's tremendously unlikely. What we're going for is full utilization of this resource.

"Finally, the argument about bypassing Hawai'i because the shark fin trade would be reduced, that's the same argument that was employed in the opposition to the drift net ban and none of the longliners went anywhere else for provisioning because, basically, there's no other place for them to go other than Honolulu.

"This is about making sure that our resources are available for future generations. This is about not wasting. This is not behaving like the elephant poachers in Africa and the 'slash and burn' farmers in the Amazon. This is about doing the right thing for the health of our oceans. Thank you, Mr. Speaker."

Representative Auwae then rose in support of the measure with reservations and asked that the remarks of Representative Meyer be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Marumoto then rose to speak in opposition to the measure, stating:

"I'm puzzled by the process. Apparently, 'landed whole' apparently means that the entire shark must be brought in and not just the fin. And I ask for what purpose? Because apparently the market does not yet exist for the whole shark. Fishermen are not allowed to bring in just the fins, yet when the shark is landed, the tail is cut off to prevent spoiling and this is allowed. So what do you do then when you bring in the finless and tailless shark? What do you do..."

Representative Schatz then rose on a "point of information", stating:

"The tails are generally cut off while they're at sea to prevent spoiling while they're brought in."

Representative Marumoto continued, stating:

"Thank you. So when you do bring in the finless and tailless shark, what do you do with the carcass when nobody really wants them and when there is no market for them? Anyway, I'm going to vote no on this measure because I'm just sort of wondering why you could not cut off the fin, but you can cut off the tail? Thank you very much."

Representative Schatz then rose to speak in rebuttal, stating:

"Mr. Speaker, in brief rebuttal. What will happen..."

Representative Pendleton then rose on a "point of order", stating:

"The gentleman has not been recognized."

The Chair then recognized Representative Schatz who continued, stating:

"Mr. Speaker, in brief rebuttal on the same measure. What will happen is that people will either not fin the shark at the dock because it's not worth it to them or they will use the whole shark, sell the whole the fish. Thank you, Mr. Speaker."

Representative Meyer then rose to speak in rebuttal, stating:

"Mr. Speaker, thank you for recognizing me. This bill is a 'feel good' bill. The longline fishermen are still going to pull up dead sharks. Now if they can't fin them, they'll just throw them overboard. Last year we heard testimony. Testimony that was devised to evoke emotional response. I think that's why we see so many states on the mainland saying that this is a cruel and horrible thing to do. A small percentage of these sharks that come up alive and they would fin them alive. So the vision of this poor finless shark trying to swim and not swimming, it has been used over and over again. When it was brought up in testimony that only, perhaps, five percent of all the sharks that are caught are indeed alive.

"In fact, here in Hawai'i, when fishermen bring up marlin, oftentimes if they're too lively they'll shoot them because of safety. We all know that sharks are not nice pets. We don't put them in goldfish bowls. They can do a great deal of harm. So if you were a fisherman and you brought one up, I think you'd want to kill it before you try to fin it, but most of them are dead.

"So there's not a lot of firm data. Even in the Committee, there's all kinds of different views. One piece of testimony said a shark had to be 15 years old before it could start have babies, another one said six. What is it? There is no data. I've watched the testimony in the Senate. Many longline fishermen talking about there being no shortage of sharks. So there is a lot of emotion on this, but it will definitely have an impact on our economy and we are just barely crawling out of a very bad nine year stretch. And I just think this is counterproductive. Thank you, Mr. Speaker."

Representative Rath then rose to speak in opposition to the measure, stating:

"These fish are caught, as said by the previous speaker earlier, incidental to longline fishing. If you don't harvest something of it, you just throw the whole thing back in. It's just using a resource that by happenstance you wind up to catch. It seems like like a 'touchy-feely', 'feel good' measure. Thank you, Mr. Speaker."

Representative Takumi then rose to speak in support of the measure, stating:

"Mr. Speaker, I feel good about this measure. As Chair of the Committee that had to deal with this issue for the past two years, it's clear that, as in many issues, truth is the first casualty.

"According to the National Marine Fishery Service, and that's the data we take as the scientific data, 86 percent of the sharks are brought to the ship alive, 86 percent. It would be a very simple matter for the longliners or anyone who catches these sharks incidentally to just cut the line and let sharks go. But instead they bring them up because there's a market for it.

"In other testimony, an owner of a longliner fleet said that this is just 'beer money.' And as my Vice-Chair said, this is a cash economy, this is an underground economy. They bring it to the dock and they just sell it for cash. I was told it's 'beer money.' This year we're told it's 10 to 13 percent of their income for the people who do this on the longline fleet. It's a very big difference unless you drink a lot of beer. It's no longer beer money in my opinion. It's changed over the years.

"And lastly, for WESPAC to say that this is something that's by-catch and not of a significant matter, yet on the other hand, recently is promoting or came up with a policy that they're going to limit the shark catch to 50,000 a year. This is a number that has gone up incrementally over the past few years. So if it is by-catch, that by-catch is increasing. Again, Mr. Speaker, when the National Marine Fishery Service says that 86 percent of the sharks are brought on the boat alive, that is a statistic I take very seriously. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1947, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FISHERIES," passed Third Reading by a vote of 45 ayes to 5 noes, with Representatives Leong, Marumoto, Meyer, Moses and Rath voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 717-00 and H.B. No. 2388, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2388, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 718-00 and H.B. No. 2745, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2745, HD 1, entitled: "A BILL FOR AN ACT RELATING TO QUARANTINE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 719-00 and H.B. No. 2443, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2443, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY DEVELOPMENT CORPORATION," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 720-00 and H.B. No. 2500, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2500, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY DEVELOPMENT," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 721-00 and H.B. No. 2607, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2607, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 722-00 and H.B. No. 2901, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2901, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to speak in support of the measure with reservations, stating:

"If members will take a look at the bill, you will see that on page 3 and 4 this bill calls for the special advisor, which I guess is Joe Blanco, again, to develop a plan for the reorganization or consolidation of the Hawai'i's Strategic Development

Corporation, the Natural Energy Laboratory of Hawai'i Authority and the High Technology Development Corporation.

"Mr. Speaker, I think members will remember a very informative hearing where we removed NELHA from the provisions of another Joe Blanco bill because NELHA..."

At 10:41 o'clock a.m., Representative Oshiro asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:42 o'clock a.m.

Representative Thielen continued, stating:

"Thank you, Mr. Speaker. I appreciate the correction on the pronunciation. I apologize about that. Anyway the NELHA was removed from the other bill after a very informative hearing. It seems as if it's, well it is, being put right back in.

"The other thing that is equally of concern: if the members will look at the report title and then that language is found on pages 54 and 55 of the bill. This bill will exempt members of the Governor's Special Advisory Council for Technology Development from the need to file a disclosure of financial interest with the State Ethics Commission. Frankly, that's a very poor policy decision to exempt these members from disclosure of their financial interests, particularly, when they're going to be so involved in areas where there could be major, major conflicts of interests.

"So I think that we should take a second look at this bill, Mr. Speaker. And if those provisions come back in a version from the Senate, I would strongly urge members to vote no on the bill. Thank you."

Representative Rath then rose in opposition to the measure and asked that the remarks of Representative Thielen be inserted into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Goodenow then rose to speak in support of the measure with reservations, stating:

"I don't have the same reservations as the previous speaker, but I do have one dealing with Part IV, and I would like my comments inserted into the Journal," and the Chair "so ordered."

Representative Goodenow's remarks are as follows:

"While I am in support of HB 2901, I have some reservations on Part IV of the bill. Allowing the Board of Trustees of the Employees Retirement System to invest 10 percent of employees' retirement funds in qualified high tech businesses as a means of providing venture capital seems innocent enough, after all there is no mandate. I merely question why include this? The Board should already have the ability to invest monies as they deem appropriate. In any case, the Board's first priority should be return on investments. If we can reach our goal of fully funding the retirement system, our employer contributions can remain in the general fund and worthy projects, such as leveraging high tech investment, can be considered."

Representative Luke then rose to speak in support of the measure, stating:

"Thank you for the remarks from the Representative across the hall. I will take a closer look at some of the concerns that you have raised. In relation to the plan of consolidation, as you recall members, in the prior bill we did take the NELHA portion out of the actual consolidation.

"What this bill does is because we recognize the value of NELHA, we wanted the special advisor to kind of look at future consolidation. That doesn't mean it's going to happen. It's not the actual consolidation, but it's looking at a plan to perhaps consolidate it. So we will have another effort if he does come with a recommendation to consolidate it so that we will have another look at whether it should be done or not, so it's not taking the legislative prerogative out of consolidating that portion. But we thank you for your comments."

Representative Morihara then rose to speak in support of the measure, stating:

"I'd like to say that this is a great bill. It incorporates many different things, including tax benefits to corporations, as well as increasing educational programs that are particularly related to development of a high technology industry. I know there are some concerns about consolidation, but about a year ago we were appraised or educated by private consultants that we should look at consolidating many of our State agencies because we have so many of them, and because they are so small that generally you need to develop at least a coordination. And I think that's the real discussion. How do we coordinate whatever means we use to do it, to get that message out? Because we have so many different State agencies, we need to do more market penetration through coordination and through a combined effort."

"Now as far as the ethics, after looking at that, it's my opinion that the advisory commission was meant to bring in people from all over the world, not just Hawai'i people. They included, hopefully, some of the top industry leaders in the country, in the world that would be interested in advising Hawai'i on how to become a global partner in this new industry. Part of the problem we face with putting together that industry is whether there is a willingness of a high level professional to file a disclosure and to go through that process, and whether you can attract someone to do that, especially somebody who has very limited time to serve on this."

"But in rereading that -- out of the ethics laws where it requires that -- I think there is some confusion. The ethics law does preclude people that are strictly advisory, in other words, people that have no control over the money of the State. I think that's what we have to clarify in this bill that this board is strictly advisory and has no real control unlike many of the other boards over assets of the State. Thank you."

Representative Marumoto then rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I would just like to express reservations on having this measure. I believe that the promotion that the previous speaker was talking about will be done through the Hawai'i Tourism Authority, which I question whether the Tourism Authority should be promoting high tech in the State. But it asks for a coordinated statewide effort as in internet service and a place to conduct electronic commerce, including entering into appropriate public-private sector business partnerships."

"I think that the Tourism Authority would rather stick to promoting Hawai'i as a tourist destination. So just a reservation on this measure. My other comments, I would ask that they be inserted into the Journal," and the Chair "so ordered."

Representative Marumoto's additional remarks are as follows:

"Mr. Speaker, I rise with reservations about HB 2901, HD2. Although I agree with the purpose of this legislation, to encourage the continued growth and development of high technology businesses and associate industries in Hawai'i, I have several concerns over how this legislation seeks to achieve this important purpose."

"First, why are we involved with the placing of employee retirement system funds at high risk? Sections 17 and 18 of this bill make it clear that we will allow the ERS Board of Trustees the power to invest a percentage of ERS funds as venture capital for local high technology businesses. The venture capital business is very much a 'crapshoot.' Even in Silicon Valley, for every single success, and granted, these can be wild successes; there are numerous failures. Some Silicon Valley venture capital companies report success rates as low as 1-2 percent. Do you think workers contributing to their retirement would like to see the State grant the ERS board of trustees the power to gamble with their money, their retirement nest egg? I think not."

"However, the bill has the right idea. Venture capital does seem scarce in Hawai'i. Could it be that venture capitalists don't want to invest here because the regulatory and tax structure is unfavorable? It is commendable that we look to high technology as a cure to our economic woes, but we would be seeing the trees and ignoring the forest if we thought targeted tax credits would do the trick. My colleagues, you know I am in favor of business. But we have to roll up our sleeves and really work on our business environment as a whole if we are to really fix things. Let us work on continuing to ease regulation on businesses and reducing our regressive and pervasive excise tax. That will make Hawai'i a great place for high tech and all businesses. This legislation is a great Band-Aid, but it is still a Band-Aid."

"Additionally, I cannot agree with the language of sections 29 and 30 of this bill's HD 2 regarding the exempting of the Governor's Special Advisory Council from the requirements of Senate confirmation and the filing of disclosure of financial interests with the State Ethics Commission. If it is true that the Council is strictly advisory in nature and will have no influence over spending or budgetary matters, those appointed to the Council should have nothing to hide and should have no trouble breezing through a Senate confirmation hearing due to their expertise in the areas of high technology."

"My colleagues, our economy is a mess and we are looking for a panacea and high technology is being touted as a magic bullet. If this is the cure all, how can the members who will supposedly have great expertise in this area not have any influence over spending or budgetary matters? Isn't it likely some of these appointees would, and should, have some private interest in high technology companies? We are so ready to hand the future of the State to political appointees who will circumvent legal safeguards. Are we so desperate for a cure to our ills that we are willing to forego those silly little safeguards known as ethics and checks and balances? Is this a case where the ends justify the means? I would hope not."

"Mr. Speaker, my colleagues, as I said before, I am for business. I am sure many of you are as well, and I know all of us want and are working toward improving this economy. I am simply concerned that this legislation has some problems which may come back to haunt us in days to come. Thank you for the opportunity to speak on this bill, Mr. Speaker."

Representative Pendleton then rose to speak in support of the measure with reservations, stating:

"I think the tax credits are wise and important as we move further into the new millennium, high tech industry is something we need to support and encourage. My reservations, however, have to do with Part IV of this particular measure, Mr. Speaker, as it refers to the ERS and allowing the Board of Trustees of the ERS to invest 10 percent of ERS funds. It seems odd to me that in the statute we would allow something that's already not prohibited. If it's not prohibited, why do we need to allow it? It seems to me the effect of this may be to shield members of the Board of Trustees from certain liability. Right now they have important legal responsibilities and obligations as trustees to maximize the rate of return to

safeguard the integrity of the ERS. This law, allowing them to use a certain portion, seems to me that it may mean that such a move would be per se acceptable and would then shield them against any kind of liability should it not pan out.

"The other concern I have, Mr. Speaker, is us using ERS to promote other kinds of industries. The ERS, the Trustees thereof, should have one obligation and one obligation only and that's to maximize the rate of return, the safety and integrity of the ERS. Not to be promoting other things, however noble high tech is. We need to promote that through tax credits and other things not through what's here in Part IV."

Representative Auwae then rose in support of the measure with reservations and asked that the remarks of Representatives Thielen and Pendleton be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2901, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE NEW ECONOMY," passed Third Reading by a vote of 44 ayes to 6 noes, with Representatives Halford, Leong, Meyer, Moses, Rath and Whalen voting no and Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2594, 1758, 1947, 2388, 2745, 2443, 2500, 2607 and 2901 had passed Third Reading at 11:05 o'clock a.m.

At 11:05 o'clock a.m., Representative Case asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 11:06 o'clock a.m.

Stand. Com. Rep. No. 723-00 and H.B. No. 1834, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1834, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to speak in support of the measure, stating:

"I have certain concerns about the bill. I think everybody here is in favor of long-term care. We know it's a problem. The bill extends the committee life of the long-term care coalition. I think the results after two years, at best, are what could be called minimal. My concern is we're keeping alive this committee and as far as actions to address the long-term care problem, I think it's about time we start to do something instead of looking for another study. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1834, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 724-00 and H.B. No. 1847, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1847, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Lee rose to speak in support of the measure, stating:

"Mr. Speaker, this bill establishes parity for female prisoners, and by the way this is a Women's Caucus measure.

"Men and women end up in prison for different reasons, and therefore prison programs should be tailored to meet the gender specific needs for women offenders. If we do not focus on

rehabilitation, we will only see repeat offenders. As it is, since 1986 the female prison population in the USA has grown an astounding 159 percent. If we do not do something to halt this trend, those numbers will only grow even higher.

"The nation's top law-enforcement officer, Janet Reno, recognizes the need to address the problem with women in prison. She believes we need to change our focus back to rehabilitation and restorative justice. Drug use is often the cause of women's incarceration. Until we address this problem by providing drug treatment, we will be doing nothing to stop the cycle of re-arrests and re-incarceration, in effect branding many women, prisoners for life.

"Additionally, many violent women who become incarcerated are violent because they themselves have been victims of abuse. By addressing the underlying cause of their violence, we can prevent numbers of women from becoming incarcerated again. Currently, the therapeutic community in Hawai'i tends to the needs of only 10 percent of the female population, when really the need is much higher.

"Hawai'i's prison system is uniquely in need of change in that 1/3 of women offenders are based on the mainland, separating these women from the families and children, and making a return to non-prison life that much more difficult. Many of these women, unfortunately, are victims of the 'war on drugs' - first time offenders in prison due to mandatory drug sentencing guidelines. We need to allow courts more flexibility in dealing with first-time offenders, by instead of incarcerating, mandating drug-treatment. It is only by treating the problem, will we be able to eliminate the problem of repeat-offenders.

"How many times have we heard sociologists conclude that prison merely makes better criminals? Incarcerating a young woman and then providing no treatment and no attempt at rehabilitation, we are in effect sentencing this young woman to a dead-end life.

"Prison programs for men include job training, drug treatment, and counseling. Men also are housed based on a classification system. Hawai'i's women prisoners have no similar classification system, and enjoy very few gender-specific programs.

"While we talk about parity for women prisoners, it is important to bear in mind, that many of those first-time offenders are usually teenagers. This bill isn't necessarily about treating men and women equally in the prison community - but it is also about restoring integrity in our corrections system. We need to encourage 'correcting' the problem at the early stages of a woman's life before it's too late. The prison setting can be a unique and valuable tool for society. It is the one place where we have the guaranteed 'captive audience' in which we can give these female prisoners the much-needed treatment they have been missing in society. In addition, we need to encourage community-based treatment facilities for women. Thank you very much."

Representative Garcia then rose to speak in strong support of the measure, stating:

"Just to take the opportunity to thank Representative Lee and the rest of the members of the Women's Caucus, together with the Department of Public Safety and others who are joining in on the effort to advance at least the spirit, if not the content, of this legislation.

"Normally, as your Chair of Public Safety, I do not like to have to deal with all matters that come before us by having to pass a law in order to make it happen. I have come to understand that there has been efforts being undertaken by a group of people to see that the intent of this legislation passes through.

"I think I'm rising in support only to make sure that in the future that the kinds of concerns, as elaborated by the former speaker, are in statute and in session law. So that in the future people who have to oversee this issue long after we are gone and make sure that the parity that we're seeking in this legislation continues. Thank you very much, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1847, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 725-00 and H.B. No. 1879, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1879, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Fox offered the following amendment to H.B. No. 1879, HD 2:

The Chair then stated:

"At this time, the Chair would like to call a recess to allow the members of the House to analyze the respective floor amendment that has been offered by the Minority Floor Leader."

Representative Fox responded:

"It might be easier to discuss it first and then examine it."

At 11:06 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 11:12 o'clock a.m.

SECTION 1. House Bill No. 1879 HD 2 is amended by amending SECTION 1, adding a new SECTION 20, renumbering SECTION 20 (to 21), adding a SECTION 22, and renumbering and amending SECTION 21 (to 23) to read as follows:

"SECTION 1. The purpose of this Act is to establish a public-funded elections pilot program for the city and county of Honolulu council elections of 2002 to be known as the public financing elections pilot program.

This Act also amends section 11-205.5, Hawai'i Revised Statutes, to prohibit a person making an expenditure for (not only a contribution to) any candidate committee or political party from receiving a contract from the state or county for one year from the availability of the contract, including subcontracts. Immediate family members are included under this prohibition.

SECTION 20. Section 11-205.5, Hawai'i Revised Statutes, is amended to read as follows:

"§11-205.5 Campaign contributions by state contractors.

(a) Any person making [a] an expenditure for or contribution to any candidate, committee, or political party, [and who has received, in any calendar year, \$50,000 or more through] shall be prohibited from receiving contracts from the State, or county [shall register and report that fact to the commission within thirty days of the date of the contribution or within thirty days of the date of the contract, whichever occurs later; provided that this section shall not apply to a person who has received \$50,000 or more through a grant, subsidy, or purchase of service agreement under chapter 42F or 103F.

(b) The commission shall prescribe forms and procedures for the reporting required in subsection (a) which, at a minimum, shall require the following information:

- (1) The name and address of the person making the contribution;
- (2) The name of the candidate, committee, or political party receiving the contribution;

(3) The amount of money received from the State or county, the dates, and information identifying each contract and describing the service performed or goods provided; and

(4) If an entity is making the contribution, the names and business addresses of the principals, including officers and directors.] , as described under sections 103D-303 and 103D-304, Hawai'i Revised Statutes. This prohibition shall apply from within one year of notice of the availability of the contract, or the date of the contract, whichever is earlier. No person who receives a contract shall make expenditures or contributions to a candidate committee or party within one year after completion of all terms of the contract.

(b) For purposes of this section a person shall include primary contracts and subcontracts or any other agreement for services provided under subsection (a) with the State or county.

(c) [The commission shall maintain a list of such reports for public inspection both at the commission's office and through the state FYI electronic bulletin board.] Contributions and expenditures shall be prohibited from principals directly associated with contracts and subcontracts, including immediate family members, during the same time period provided under subsection (a)."

SECTION 21. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 22. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 23. This Act shall take effect on July 1, 2005; provided that SECTION 20 shall take effect on January 1, 2001."

Representative Fox moved that the amendment be adopted, seconded by Representative Pendleton.

Representative Fox rose to speak in support of the amendment, stating:

"Mr. Speaker, all of us have been treated to a rich discussion of campaign reform as a result of the national presidential campaign that is underway. One poll that I'm familiar with discussing various campaign reform measures ranked last the idea of taxpayer supported elections. Much higher on the list of consideration of campaign reform measures is essentially getting money out of a process that is used to influence decisions of policy makers.

"There was one important reform measure at the City and County of Honolulu in the early 1990s. The City and County of Honolulu agreed to strip or break the nexus between campaign contributions by people who contract with the City and the process of awarding those contracts. I think we all can be comfortable with the knowledge that campaign contributions have something to do with how contracts are awarded at both the State and City level.

"The court ruled on the city law as a result of a suit brought by one of the candidates for mayor. The court decision in 1998, essentially, instructed the Legislature of the State of Hawai'i to enact a measure at the legislative level on this issue if it was to have the effect of law. The court ruled that campaign contribution regulations must be handled at the State level. The Advertiser and other publications editorialized in favor of the State taking action.

"Now we have somebody who is very concerned about campaign finance reform and that is the head of the Campaign Spending Commission, Mr. Bob Watada. I went to him and I asked him, what was the most important thing we could do? And he said, take action in the area that this floor amendment is dealing with. Break the nexus between campaign contributions

by contractors and others who do business with the State and the awarding of those contracts. Pick up where the City and County left off and do it at the State level.

"Very unfortunately the Judiciary Committee chose not to hear this measure and the only thing we have before us is the measure, that as I suggested, by the poll that I saw is the least popular form of campaign reform, which is taxpayer supported elections.

"Therefore, I am pleased to offer before the members of this Legislature the opportunity to take action on campaign reform in an area where it really matters. And that is the role that contractors play in influencing decisions on how to award contracts. Thank you very much, Mr. Speaker."

Representative Pendleton then rose to speak in support of the amendment, stating:

"Mr. Speaker, the proposed amendment to House Bill 1879, which is the bill relating to elections, is an important amendment. Although the House Bill 1879 is a laudable attempt to establish a public funded elections pilot program, this proposed amendment goes a giant step further and strikes right at the heart of the issue of how true, clean elections should be conducted.

"Mr. Speaker, the proposed amendment to Section 11-205.5 of the Hawai'i Revised Statutes pertains to campaign contributions by potential State and county contractors. The existing statute required that a State contractor who has received \$50,000 or more through contracts from the State shall register and report that fact to the Campaign Spending Commission within 30 days. The existing statute has proven ineffective, Mr. Speaker. It has not diminished the potential influence of large political contributions, nor has the statute contributed much to the public's knowledge of who contributes how much to whom and if there is any potential quid pro quo.

"Mr. Speaker, rather than merely requiring the reporting of such potential conflicts, this proposed amendment would virtually ban such contributions altogether. What do I mean by virtually? Mr. Speaker, this proposed amendment requires that if a potential contractor contributes to any candidate, committee or political party, they are not eligible for any county or State contract for a specified period of time. This proposed amendment accomplishes one necessary aspect of true campaign reform. It removes any hint of bribery or any perceived favoritism from the contract selection process.

"This amendment should be well received by those industries that now feel obligated to make significant contributions to candidates who influence selection process, such as the county mayors or the governor. They couldn't be very pleased with the existing law, whereby, they must not only compete for potential contracts, but for the hearts, minds and wallets of selected candidates.

"Mr. Speaker, I urge my colleagues to support this proposed amendment, which is truly a giant step forward in campaign finance reform. Thank you."

Representative Hamakawa then rose to speak in opposition to the amendment, stating:

"Currently, any person making a contribution to a candidate, committee, or political party, and who receives a state or county contract of \$50,000 or more shall register and report to the State's Campaign Spending Commission.

"We have a strong reporting requirement that allows all to see who is making contributions and to whom the contribution is being made.

"The amendment before us prohibits all persons making any contribution from receiving a State or county contract of any kind.

"I believe this kind of restriction is over-reaching and goes too far in limiting a person's right or the person's immediate family's right to participate in the election process."

"Mr. Speaker, I urge all my colleagues to vote against this amendment. Thank you."

Representative Rath then rose to speak in support of the amendment, stating:

"I don't hear any hearing cry from the contractors that this is impeding their free speech or somehow curtailing them from involving themselves in the political process. Rather, I think they're quite happy about it because they're sick and tired of being shaken down by politicians. And that's really what this is about. Business people get shaken down for contributions all the time. This puts an end to it. So this is shake down reform. Thank you."

Representative Schatz then rose to speak in opposition to the amendment, stating:

"Mr. Speaker, the bill, before it was amended received strong support from the League of Women Voters, Common Cause, and Hawai'i Clean Elections. I have concerns about the constitutionality of such a provision. The 1976 Buckley vs. Vallejo decision by the United States Supreme Court was specific. It does not allow restrictions on campaign contributions.

"The first part of the floor amendment will probably pass constitutional muster, but I don't believe the second part would. I would submit to you that this floor amendment is a subterfuge. It's designed to allow those opposed to campaign reform to pretend that they're in favor of it. I'll be voting no."

Representative Whalen then rose to speak in support of the amendment, stating:

"Mr. Speaker, I wasn't going to say anything, but the last speaker did inspire me because I find it rather ironic that mild intention is attributed to those who would support this amendment when I hear opposition from those whose main campaign for their election was to reform the election process.

"This amendment is not unconstitutional. It does not prohibit anyone from giving any money. What it does is it addresses the contractual procurement process, which is clearly within the dictates of the State and its ability to define how contracts are awarded. It does not restrict someone's free exercise of expression, and therefore, would not fall to constitutional muster.

"This bill, the amendment that would be attached, directly addresses the point that was alluded to by my colleague from Kona. What it does is it protects contractors from being forced into a position where they are, basically, going down the list. I have been told that contracts, especially on the county level, before they're awarded they know who gave money to whom, and they go through these lists to see it. I know of contractors, personally, who have told me that they would rather not support certain candidates, but they need these contracts in order to survive in business in the State of Hawai'i.

"If we are truly going to go after campaign reform, which is basically getting the 'dirty money' out of it. Then this is certainly one way to do it, where this State is controlled by one power source and there's really no open debate of ideas. It's basically the decision is made and they live by it. It's controlled by this one group of politicians and this is a tremendous source of financing for campaigns and it should be addressed. Anyone who truly supports campaign reform,

honestly, would vote for this amendment. Those who are just playing games whose true allegiance does not lie with the voters or campaign reform, go ahead and vote no. The voters will know. And we would ask for a roll call vote when the time comes, Mr. Speaker."

At 11:23 o'clock a.m., Representative McDermott asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 11:24 o'clock a.m.

Representative Schatz then rose to disclose a potential conflict of interest, stating:

"I was previously employed by the Hawai'i Elections Project, a non-profit, non-partisan research and educational organization on campaign reform," and the Chair ruled "no conflict."

Representative Fox then rose to speak in rebuttal, stating:

"Mr. Speaker, just briefly on the question of constitutionality. This bill is word-for-word the bill proposed by the Campaign Spending Commission and it was taken from model federal legislation. Thank you."

At this time Representative Whalen requested a roll call vote:

The request for a roll call was put to vote by the Chair and the request was granted.

Roll call having been requested, the motion to adopt the amendment was put to vote by the Chair and failed to carry on the following show of Noes, Ayes and Excused:

Noes, 38: Representatives Abinsay, Ahu Isa, Arakaki, Cachola, Case, Catalani, Chang, Espero, Garcia, Goodenow, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho'ohalahala, Kanoho, Kawakami, Lee, Luke, Menor, Morihara, Morita, Nakasone, Oshiro, Saiki, Santiago, Schatz, Souki, Stegmaier, Suzuki, Takai, Takamine, Takumi, Yamane, Yonamine, Yoshinaga and Say.

Ayes, 12: Representatives Auwae, Fox, Halford, Leong, Marumoto, McDermott, Meyer, Moses, Pendleton, Rath, Thielen and Whalen.

Excused, 1: Representative Okamura.

(Main Motion)

Representative Schatz then rose to speak in support of the measure, stating:

"Mr. Speaker, since last year, when we passed an important piece of the puzzle in the matrix of necessary campaign reforms, I've been working to find ways to level the electoral playing field, and to make the idea of 'one person, one vote' closer to reality.

"Campaign reform is elusive and difficult to implement, but I think that most of us would agree that it's vitally important to our democracy. The ongoing presidential campaign demonstrates that it's clearly not a partisan issue, although, some would portray it that way. I'm proud that this House of Representatives will pass this bill because it represents a significant commitment to test one model for reform, the public financing of elections. Similar reforms have passed in Maine, Arizona, Vermont and Massachusetts. And Bill Bradley, Al Gore and John McCain have all publicly stated that they support such reform efforts.

"Specifically, this bill authorizes a pilot program for the Honolulu City Council race in 2002. Candidates who choose to

forego private contributions and are able to go on our minimum number of \$10 contributions from residents in their district would then qualify for a competitive amount of public financing. This would allow credible candidates without access to money to enter and compete in this race.

"Of course, this doesn't solve all of our problems. I believe that lowering the campaign contribution limits and disallowing the awarding of non-bid contracts to campaign contributors are also necessary steps. But don't let that confuse the issue. This bill enables political participation and empowers everyday people.

"The approximately \$1.2 million for this project will come out of the Hawai'i Election Campaign Fund, a special fund which currently has a balance of \$4.9 million. Of course, the allocation amounts and qualifying contribution thresholds are changeable and should be carefully considered.

"Mr. Speaker, I'm very proud of this unprecedented and unheralded move towards fundamental campaign reform, and I congratulate all of the members of this body for supporting it. Thank you, Mr. Speaker."

Representative Fox then rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I am really a little bit puzzled by the disconnect between the opinions of the Chairman of the Campaign Spending Commission, who is appointed by the Governor and the members of the Majority, at least the people that are behind the movement of this bill.

"The Campaign Commission Chairman is not in favor of this form of campaign finance reform. He believes that it may affect as many as seven people in one election. And he sees that falling far short of the level of campaign finance reform that's really called for. He, in fact, calls the bill something that's being pushed by a special interest group. The basic flaw in the bill, as it currently stands, it will only provide about \$35,000 to somebody in the first round of a Council race. He just doesn't think that anywhere near that figure is going to elect somebody. He thinks it's going to take well above that figure to compete successfully for an open Council seat. And we have members in this body who could testify directly to that fact: that \$35,000 is an unrealistic figure to compete effectively.

"So this is not like the bills that passed in Arizona, Massachusetts, Maine and Vermont. Those bills provide substantial penalties for people who stay out of this arrangement. It's a gesture and in the view of Mr. Watada the wrong gesture in the wrong direction. Thank you, Mr. Speaker."

Representative Case then rose to speak in support of the measure and asked that the remarks of Representative Schatz be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Case continued, stating:

"Very briefly, Mr. Speaker this is a pilot project. There is absolutely no reason for us to fear experimentation. There's no reason for us to stand here and decline to change the system that perhaps we are all, in one way or another, saying doesn't work best. We are not adopting this program statewide. This is trying something. This is what the minority has said for years. Let's try some new things.

"I would ask all of my minority colleagues to stand in unqualified support of this measure as one way to reform our campaign system and offers some real hope for being the most sweeping, far reaching and promising change in our campaign finance system that I've seen in six years in the Legislature. So I ask for the unqualified support of the minority. Thank you."

Representative Whalen then rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I speak as Assistant Minority Floor Leader. It's my understanding that the whole Caucus is voting aye on this bill. I think our reservation arises, those of us who want to state it, it arises that it doesn't go far enough. We certainly support this small step. In fact, as was noted by the Majority Leader, we have been pushing for true finance reform for a long time. This is a very small baby step in the right direction. It doesn't go nearly far enough. And I'm surprised by the Majority Leader adopting his co-Manoa Representative -- first time I heard that one -- statements as his own because they talk about non-partisan effort. But, as you know, the vote for amending this bill fell down exactly along partisan lines.

"The former speaker adopted the statements that non-bid contracts have to be addressed. Well there was an amendment that addressed this and partisan lines voted, all the Majority party voted no against it, Mr. Speaker. So I'm not sure where the rhetoric is coming from that the Minority has to be urged to support campaign finance reform when we have supported it. We've been pushing for it for many years and desire it. And yet we desire to go even further, but we get shut down on a partisan manner. So I'm not sure where the rhetoric is coming from. All of us, the Republicans, support true election reform. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1879, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Herkes voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 726-00 and H.B. No. 1905, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1905, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FEES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 727-00 and H.B. No. 2160, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2160, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE TRAUMATIC BRAIN INJURY TRUST FUND," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 728-00 and H.B. No. 2262, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2262, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Moses rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. This bill establishes a commission to celebrate the 100th Anniversary of the arrival of Koreans to Hawai'i.

"Although the first Koreans arrived in the late 19th Century as Ginseng merchants, the first shipload of 102 Korean agricultural workers arrived in Honolulu Harbor on the S.S. Gaelic on January 13, 1903. Among them were 56 men, 21 women and 25 children who were dispatched to Wailua sugar fields to begin working. Most of these Koreans were from the city and were not farmers, but they recognized Hawai'i as a land of opportunity.

"At that time, Korea was undergoing severe political upheavals. These early arrivals were Christians and they quickly established churches of their own in which the Korean community worships until this day. There was no Statue of Liberty holding high the torch of freedom to greet them, nor was there any Ellis Island to help them settle in their adopted home. Instead, they were sent to the fields to work for \$12.50 a month on three year contracts. The dream of returning to Korea with wealth quickly evaporated.

"The first Koreans proved to be industrious and hard working. So during the next few years 65 ships brought in an additional 7,843 Koreans, including 677 women and 465 children to Hawai'i. A new wave arrived as a result of the Korean War. Since then, the Korean community continues to grow. As I indicated a few minutes ago, my wife, my in-laws, including nieces and nephews and my children are Korean or part Korean and are helping to expand the local Korean community. Now there are about 30,000 living in our State and, Mr. Speaker, not all of them are my relatives.

"The Koreans in our community have become business, industrial, community and government leaders. They have served on the city and county councils, in the State Legislature and on the Hawai'i Supreme Court. They have made a name for themselves in all the professions. There is no doubt they have made significant contributions to our multi-cultural society.

"So I urge, Mr. Speaker, the members of this august body to support this measure to create a centennial commission to honor the descendants of these hardy pioneers who have embraced our customs and society while preserving their own unique culture. Should you grant the establishment of this commission, I'm certain you would have their full appreciation. And Mr. Speaker, I would like to thank you too, kumsumnida!"

Representative Luke then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. On behalf of the fellow Korean Caucus members, Representative Santiago, Representative Kaho'ohalahala, and our newest non-voting member, Representative Moses, we ask for strong support of this measure.

"This bill is to set up a commission to celebrate the Korean centennial celebration and the arrival of the first Korean, which occurred in, I believe, 1903. And this is to help plan early, have an early start, in the celebration effort and we urge all colleagues for support. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2262, HD 2, entitled: "A BILL FOR AN ACT ESTABLISHING A COMMISSION TO CELEBRATE THE ONE-HUNDREDTH ANNIVERSARY OF THE ARRIVAL OF THE KOREANS TO HAWAII," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 729-00 and H.B. No. 2285, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2285, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Kawakami rose to speak in support of the measure, stating:

"This measure will provide resource teachers and coordinators to bring districts without these resources on par with other districts.

"Article X, Section 4 of our State Constitution requires that the State provide a Hawai'ian education program consisting of language, culture, and history in the public schools. Providing

students with the knowledge and understanding of what makes Hawai'i unique brings about a sense of pride for their heritage. Thank you, Mr. Speaker."

Representative Kahikina then rose in support of the measure and asked that the remarks of Representative Kawakami be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2285, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE HAWAIIAN STUDIES PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 730-00 and H.B. No. 2404, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2404, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Pendleton rose to speak in opposition to the measure, stating:

"Mr. Speaker, this particular measure related to the aquaculture development special fund and fees.

"I'm not opposed to aquaculture development. In fact, I strongly favor it. I believe we need a diversified economy, we need to make some progress in this area. What I am opposed to, Mr. Speaker, is the way in which we seek to fund this particular endeavor.

"What this bill does, House Bill 2404, is establishes the ability for the Department of Agriculture to assess fees. My concern is that we are bringing executive branch departments, again, out from under the purview, at least with respect to funding and appropriations, we're bringing these departments out of the purview of the Legislative Branch.

"The Legislative Branch, the Legislature, should be the body making decisions about priorities, funding priorities. What we're doing with this particular measure, Mr. Speaker, is giving 'quasi' or 'de facto' taxing ability to this particular Executive Branch. Again, we're calling it fees, we're allowing them to set it. The fees apply only to people involved in this industry. But if we do this across the board with all the other Executive Branch departments, we can basically have all the Executive Branch funded through some kind of fee mechanism and therefore, remove the appropriate responsibility from the Legislative Branch.

"So because I believe that the Legislature should make these kinds of funding decisions and because I believe that we are the ones in the best position to choose among competing priorities. This is an important priority, Mr. Speaker, but it may have to give way to other higher level priorities. Because I believe that, I oppose this measure because of the funding scheme. I don't think we should be getting in the business of having more and more Executive Branch departments with this de facto taxing ability. Thank you, Mr. Speaker."

Representative Rath then rose in opposition to the measure and asked that the remarks of Representative Pendleton be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2404, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," passed Third Reading by a vote of 46 ayes to 4 noes, with Representatives Meyer, Pendleton, Rath and Whalen voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 731-00 and H.B. No. 2417, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2417, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 732-00 and H.B. No. 2438, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2438, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose to speak in support of the measure, stating:

"I rise in support for this important measure as a former county councilmember who has sought to establish enterprise zones in the County of Maui. I would like to say that this is an important program that serves to empower economically depressed areas by attracting critically needed economic activity.

"This bill, Mr. Speaker, serves to expand the State's enterprise zone law by increasing the type and number of eligible companies which can apply for this specific program. So in an effort to improve our business climate and enhance the prospects of a more fruitful job market for our residence, I stand in support of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2438, HD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 733-00 and H.B. No. 2467, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2467, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONSUMER ADVOCATE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 1834, 1847, 1879, 1905, 2160, 2262, 2285, 2404, 2417, 2438 and 2467 had passed Third Reading at 11:48 o'clock a.m.

Stand. Com. Rep. No. 734-00 and H.B. No. 2534, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2534, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kawakami rose to speak in support of the measure, stating:

"This bill is needed to support our rural hospitals by increasing funding for the reimbursement for Critical Access Hospitals (CAH) on a cost basis under the Medicaid Program using matching federal funds.

"Rural hospitals are essential for the health care of the entire population of the State of Hawai'i, and they provide irreplaceable services to those rural residents for all medical emergencies.

"Mr. Speaker and colleagues, I urge you to support this bill supporting Critical Access Hospitals. In doing so, the availability of accessible medical care for all the people of the State of Hawai'i is in your hands. Thank you."

Representative Kaho'ohalahala then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. This is an important measure which will help our rural hospitals, as has been stated by the previous speaker, to continue its operations which provide vital health care for our citizens in our rural and remote areas of our State.

"This bill will grant the State the authority to expend its Medicaid funds to our Critical Access Hospitals for the purpose of cost reimbursement. So I'd like to say that the community of Lanai has been seeking support on this and I want to thank my colleagues for supporting this bill so that the rural hospitals can, in fact, become a little bit more self-reliant. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2534, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CRITICAL ACCESS HOSPITALS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 735-00 and H.B. No. 2576, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2576, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WATER RESOURCE MANAGEMENT," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 736-00 and H.B. No. 2620, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2620, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 737-00 and H.B. No. 2746, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2746, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Arakaki rose to speak in support of the measure, stating:

"It may not seem like a really major bill to many of us, it's a rather small item, but, unfortunately, the Administration has chosen to eliminate this program from its budget. It affects, currently, 26 schools.

"However you feel, to talk to the students who are part of this program and even those who are beneficiaries of this program, you see that it's a real 'win-win' situation. I think it's unfortunate, although it is in our schools, and it's been proposed to be part of our school program, it really doesn't fit with the educational mission of the Department. And thus, it remains in the Department of Health. However, when you look at the cutbacks that have been made through the Department of Health, this becomes an easy target. It's not so much a matter of health and safety. But when you look on how much we're spending on Felix vs. Waihee, the millions of dollars that are being expended, this is an approach that provides prevention and intervention at the student level and student to student.

"I think we need to continue to support this program and I do hope, even though there's only a dollar right now, that we can find the funding for this program. Thank you, Mr. Speaker."

Representative Espero then rose to speak in support of the measure, stating:

"The Peer Education Program is one of the most successful programs in the State's schools today. And it's very important that we continue to support something that the students want and the teachers and the parents. Of all the bills we are listening to this session, this is probably the one that I, personally, have received the most letters. Literally dozens of letters from students and I hope that the Legislature will continue to support this along with the State Administration. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2746, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PEER EDUCATION PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 738-00 and H.B. No. 2829, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2829, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ELECTIONS APPOINTMENT AND REVIEW PANEL," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 739-00 and H.B. No. 2877, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2877, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 740-00 and H.B. No. 2996, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2996, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of this measure to acknowledge that our farming industry plays an important role in making a major contribution to our State's economy. So expanding our Agricultural Loan Program will encourage our current farmers to have a financial support to remain in the industry. At the same time, this measure will provide more incentive for others to enter into the farming profession due to the lessening residency requirements for this loan program.

"Mr. Speaker, I just want to remind this body that most of our communities that have been plantation communities are in transition now, and this bill will allow many of the residents who have lived in these communities to continue to support farming and agriculture. This loan program would give them the opportunity to continue this. So I ask your support for this particular measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2996, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 741-00 and H.B. No. 3002, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 3002, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative McDermott rose to speak in support of the measure, stating:

"Mr. Speaker, when we went to the Neighbor Islands this summer under the direction of Chair Ito, one of the things we heard from the parent groups at those various schools on different islands was the need for this playground equipment. And it affects each and every one of us in our districts and I think that's why this is a very important measure. We will be able to tell the parents in the communities that we've done something to improve the environment of the elementary schools for our children. So I thank you, I thank the Majority and let's make sure we get this through final and through the Senate as well. Thank you."

Representative Meyer then rose to speak in support of the measure, stating:

"I'm in strong support, but I do have one little concern. And that is, well, in support, I'm pleased that the Department of Education wants to get general obligation bonds to cover this cost which is in the neighborhood of \$8 million and this would create the money that we need so that all schools can get the playground equipment that they so desperately need.

"All of us have elementary schools in our district where we've seen yellow tape or lots of tape. The kids just can't play on anything, and it sits there and it's a constant reminder that we have a problem there at the schools.

"But in the Finance Committee when we were hearing testimony on this issue, I was somewhat concerned with the language in the bill that stated that only the schools that had created a master plan for the playground areas would get the equipment, that those would be the first schools. Apparently, the DOE had a meeting that all the schools were invited to, but only about 100 out of 176 were able to attend.

"At that meeting they were informed about how to go about setting up a master plan. This master plan for the playground areas was to include separation of equipment by appropriate age groups and equipment chosen to meet the school goals for the children as related to the content and performance standards, including health and physical education. The plans also must address accessibility as required by the Americans with Disabilities Act.

"It seems like a lot of 'hoops' for the school administration to go through. And I'm concerned that those 76 schools that were not at that meeting will be somewhat daunted by the requirements and they won't have their plan. And those schools will go on for a couple more years without playground equipment. Thank you, Mr. Speaker."

Representative Souki then rose to speak in support of the measure with reservations, stating:

"Without sounding like a 'scrooge,' we all know that we need playground equipment for the schools. My major concern, Mr. Speaker and members of the House, is that we continue to use GO bonds for this kind of activity. There are some other measures that are also using GO bonds for short term use.

"GO bonds, as you well know, are normally used for activities and work that will take at least a 20 year span as a viable serviceable use. If you're looking at playground equipment, which is normally a lesser course and you're going to amortize it over 20 years, you know that's not going to be possible. The amortization schedule is much less. This is just a warning, something to look for especially to my good friends in the Finance Committee. As you look at these kinds of measures that for those items that are of short term use and don't have an amortization life of at least 20 years, you should not be using GO bonds because the cost is going to be excessive because of the interest that would be accumulated over 20 years. So we should be looking for more short term financing measures. Thank you very much, Mr. Speaker and members."

Representative Ito then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I just want to say that the cost of the playground equipment is about \$8.5 million and it's going to be spread over two years. This will give schools a chance to plan the installation. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 3002, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PLAYGROUNDS IN SCHOOLS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 742-00 and H.B. No. 1863, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1863, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE RULES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 743-00 and H.B. No. 2187, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2187, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE RULES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2534, 2576, 2620, 2746, 2829, 2877, 2996, 3002, 1863 and 2187 had passed Third Reading at 12:00 o'clock noon.

At 12:00 o'clock noon, the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 1:07 o'clock p.m., the Vice Speaker assumed the rostrum.

Stand. Com. Rep. No. 744-00 and H.B. No. 2188, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2188, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Takumi rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. It's with some reluctance I stand up in opposition to this bill because I do know that the subject matter committee tried their best to address what seems to be a problem out there.

"My concern with this, Mr. Speaker, is that I feel this bill is not required, not necessary, it's redundant. I note that in testimony from the Attorney General's Office they also felt it was unnecessary and they know that agencies are already required to interpret the statutes enacted by the Legislature, but considering the spirit and intent of the law. They also question whether each agency would have to adopt, as rules, its own unique rulemaking procedure under this bill. And this lack of uniformity and procedure would be burdensome to the public. As you know, this bill basically says that any proposal should not be adopted unless the head of the agency, state or county, concurs that the proposed rule has a rational nexus to the law and conforms to the letter, spirit and intent of the law.

"Under Chapter 91, Mr. Speaker, it already states that the agencies must fully consider all written and oral submissions respecting the proposed rule. Upon the adoption, amendment or repeal of a rule, the agency, if requested to do so by an interested person, shall issue a concise statement of the

principal reasons for and against its determination. In other words, Mr. Speaker, if a mere individual out there feels that a rule promulgated by any agency out there does not have a rational nexus to the law, they can ask what was the principal reasons for the agency deciding on this rule. After that, if they want to, they can appeal either to the Mayor or the Governor not to adopt this rule because, again, in Chapter 91, it states that any state or county agency, when they submit a rule, all of them are subject to the approval by the Governor or by the Mayor, respectively.

"So, in my mind, this rulemaking procedure already has many hurdles one has to go through and the rules already have a rational nexus to the law. Thank you, Mr. Speaker."

Representative Herkes then rose to speak in support of the measure, stating:

"I rise in support of the bill for a lot of the same reasons that the previous speaker opposes it.

"A lot of the testimony that the interim committee got from both business and labor was the cumbersome procedures in dealing with rules. This bill does is requires the Administration to clean up the rulemaking process and to expedite it, it makes it available to them.

"As far as the rational nexus, we heard overwhelming testimony that the department heads go way beyond the intent of the law and get into lawmaking themselves. There was a report of a department head that told the Legislature, 'I don't care what the law says, I write the rules.'

"So, it is clear that this body, the Legislature, has the authority to draft laws. It also has the authority over the rulemaking process because rulemaking is just an extension of the lawmaking process. What we're trying to do is rather than going through a ponderous process that sometimes take two, three, four years, and in some cases, rules have never been adopted, although required by statute. We were trying to shorten that, not only to implement the rule, but to amend the rule and repeal the rules.

"Right now if you have a problem with a rule and you want to amend it, that's a cumbersome process that you have to go through that could take two or three years. For that reason, we have rules on the books today that bear no relationship to the statute. They are out of date, or they just take so long to repeal them that the department heads don't want to go through that effort. For those reasons, I support the bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2188, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE PROCEDURE," passed Third Reading by a vote of 43 ayes to 2 noes, with Representatives Catalani and Takumi voting no and Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 745-00 and H.B. No. 2727, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2727, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kaho'ohalahala's remarks are as follows:

"Mr. Speaker, I rise in favor of this measure. This bill will directly benefit my constituents in the transport of their vehicles from island to island since my district comprises of 4 distinct and separate islands. This bill represents a response to the needs of its citizens. It will lessen the 'bureaucratic red tape'

and make it less difficult for our island residents to ship their vehicles without incurring the added hardship of obtaining permission from third parties. Even I have been affected as I have attempted to transport my vehicle to this island. This bill will lessen the amount of documentation to be shown and make it easier for our residents to ship their vehicles inter-island. I urge this body to vote in the affirmative on this measure."

Representative Herkes rose to speak in strong support of the measure, stating:

"It seems unreasonable to me that we require a Young Brothers' clerk to enforce an agreement between the borrower and the lender on a vehicle. We don't require this when you send a vehicle out-of-state. We don't require it for the shipment of household goods. This is a pro-consumer bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2727, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INTERISLAND VEHICLE TRANSFERS," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 746-00 and H.B. No. 2193, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2193, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCESS," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 747-00 and H.B. No. 2277, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2277, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Goodenow rose to speak in support of the measure with reservations, stating:

"I am in support of House Bill 2277. I do have one reservation, but this is a very good bill. I quote from the Department of Health's testimony for the Finance Committee. 'We cannot accomplish the systems and environmental changes needed to support healthy behaviors if the DOH moneys from the Tobacco Settlement Special Fund continue to be used to replace the financing of existing programs.' I agree with that.

"But earlier for fiscal reasons the Department of Health felt compelled to propose supporting existing prevention programs like Healthy Start and HIV programs with tobacco fund money. And here's my reservation, I'm just concerned that appropriation decisions should be left to the Administration's and Legislature's discretion based on an evaluation of program needs and available resources. I really sympathize and I want to thank the Chair who has done a tremendous job on this bill. Budget flexibility should not be used as some kind of 'sham,' but I have a concern when we bind future legislators to something like this. Thank you."

Representative Meyer then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of Stand. Com. Report 747, House Bill 2277, HD 1, with some of the same reservations that were stated here in the House by my friend and colleague from Waimanalo. So I would ask that the Clerk please insert his remarks as if they were my own," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2277, HD 1,

entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 748-00 and H.B. No. 2422, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2422, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ENFORCEMENT OF THE TOBACCO SETTLEMENT AGREEMENT," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 749-00 and H.B. No. 2431, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2431, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Arakaki rose to speak in support of the measure with reservations, stating:

"This bill actually calls for compliance with the federal rules in terms of developing a resident advisory board, but it also allows for one of those members to be a member from one of the public housing projects to be represented on the HCDCH Board. I guess this is a classic example of who do you listen to.

"In the Human Services and Housing Committee, we listened to the consumers and the tenant advocates. Basically, they wanted two public housing members to be represented on the HCDCH Board because we are creating two additional slots on the Board with this bill.

"Of course, the agency wanted only one, and although they probably don't cite the real reason, I think they felt that the HCDCH Board is a higher level board mainly dealing with financial issues and the financial integrity of the agency. However, from the subject matter's viewpoint, we always have to make sure that the views of the consumer are represented. I think just so that one member out of an 11 member board is just token representation.

"Hopefully this issue will be further discussed, but in terms of representation, I really think we need to look at how. If you look at the rest of the members of the board, I doubt if any of them reside or have resided in public housing. We need to have their perspective represented. They may not have the financial knowledge or experience as the other board members, but certainly I think as consumers they know what the people that they represent need in terms of housing. I always remember that when we did decide to consolidate the Hawai'i Housing Authority and the old Housing and Finance Development Corporation, I made a vow that the needs of the public housing residents would never be forgotten or overshadowed by the financing part of the agency. I think we need to take that into consideration. Thank you, Mr. Speaker."

Representative Kahikina then rose in support of the measure with reservations and asked that the remarks of Representative Arakaki be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2431, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 750-00 and H.B. No. 2529, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, and the report of the Committee was adopted and H.B. No. 2529, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SAFE DRINKING WATER," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 751-00 and H.B. No. 2566, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2566, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 752-00 and H.B. No. 2801, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2801, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kaho'ohalahala's remarks are as follows:

"Mr. Speaker, I rise in support of this bill. Our Hawai'i-grown swine industry is and continues to be an integral part of our state economy. More importantly this industry has provided a valued food staple that our multi-ethnic society has long enjoyed at many family gatherings. I realize that the funding amount has been reduced to the level of \$1. Nevertheless, this is an important bill that should be forwarded to the next level in the legislative process.

"This measure contains critical program initiatives like sampling, mandatory surveying and certification standards, which will help to protect the swine industry from Porcine Respiratory and Reproductive Syndrome or PRRS --- a devastating disease, which has had disastrous effects on our pig livestock. And so, I urge all my colleagues to vote in the affirmative for this bill which will help to safeguard our swine industry and the farmers whose livelihood depend on pig farming."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2801, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

Stand. Com. Rep. No. 753-00 and H.B. No. 2836, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2836, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONVEYANCE TAX," passed Third Reading by a vote of 45 ayes, with Representatives Menor, Okamura, Souki, Suzuki, Takamine and Yoshinaga being excused.

The Chair directed the Clerk to note that H.B. Nos. 2188, 2727, 2193, 2277, 2422, 2431, 2529, 2566, 2801 and 2836 had passed Third Reading at 1:20 o'clock p.m.

Stand. Com. Rep. No. 754-00 and H.B. No. 2878, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2878, HD 2, entitled: "A

BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS AND PROCUREMENT," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 755-00 and H.B. No. 2955, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2955, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NEW ECONOMY SKILLS TRAINING," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 756-00 and H.B. No. 2961, HD 3:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2961, HD 3, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," passed Third Reading by a vote of 46 ayes to 1 no, with Representative Rath voting no and Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 757-00 and H.B. No. 2973, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2973, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR MICONIA ERADICATION," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 758-00 and H.B. No. 2986, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2986, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE RISK MANAGEMENT AND INSURANCE ADMINISTRATION," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 759-00 and H.B. No. 3001, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 3001, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Meyer rose and stated:

"Mr. Speaker, I'd like to ask that I be excused from voting on Stand. Com. Report 759, House Bill No. 3001, HD 2. This bill is dealing with residential noncommercial piers. My husband and I own a pier and I feel that I have a 'conflict of interest,' and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 3001, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NONCOMMERCIAL PIERS," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Meyer, Okamura and Santiago being excused.

Stand. Com. Rep. No. 760-00 and H.B. No. 2098, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2098, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 761-00 and H.B. No. 2558, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2558, HD 1, entitled: "A BILL FOR AN ACT RELATING TO BOILER AND ELEVATOR LAW," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Garcia, Okamura and Santiago being excused.

Stand. Com. Rep. No. 762-00 and H.B. No. 2245, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2245, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I understand what is trying to be done here today, but I would like the members to really consider this action seriously and with deliberation. There's a lawsuit in place from the Sierra Club as to whether or not the Hawai'i Tourism Authority is required to do an environmental assessment for its marketing and research. The lawsuit will move its way through the court and a decision will be issued. This seems to me to be an end run to say, 'wait a minute, we don't want the Hawai'i Tourism Authority to have to do an environmental assessment for this type of action.'

"There's a way that this could have gone that would have been less damaging. Unfortunately, the word 'exempt' follows this bill. It has been removed from the language of the actual bill itself. The title still notes that it is a partial exemption from the environmental impact statement law. This bill is not quite as damaging, Mr. Speaker, as the one that we're going to consider on the last page of our Agenda 1 of the Order of the Day, House Bill 2976, which more broadly goes ahead and defines the word 'action' under our environmental impact statement law. That latter bill is much more damaging and while I cannot speak to that at this point, I would like to note that my remarks are equally relevant to both bills.

"I went back and did some research for the purpose and what went on when our environmental impact statement law was first enacted in a Democrat controlled Legislature. In 1974, the bill itself said, 'review is desirable because it benefits all parties involved and society as a whole.' Some of these names you're going to remember from this period almost -- well over a quarter of a century ago: Richard E. Marland was from the Office of Environmental Quality Control at that point. And he said, 'We also see evidence that many people in Hawai'i now perceive our environment as a much more comprehensive entity than simply pollution of air, water and land. In fact, our natural, social, and economic environments are so intermingled that they defy simple definitions or separate identities.'

"What we're doing with this bill and the bill on page 31 is trying to carve out exemptions, and it is exemption from the environmental impact statement law. And unfortunately, our environment doesn't really have exemptions of that sort, because as Mr. Marland said these things are very intermingled.

"The Sierra Club, Lowell Chun was the director then, he said, 'the EIS section should encompass both private and public actions likely to significantly affect the environment, including decisions, policies, rules, and regulations.' What we're doing today is saying 'no we're going to carve out an exemption. We don't want it to be that broad.'

"Then the Hawai'i Council of Churches, Arlee E. Porter, was Chairman, he said, 'we believe we must take most seriously what this means to the trustees of our resources in terms of succeeding generations. In the area of the environment, seemingly harmless decisions can have

consequences that in the future may be beyond remedy.' And I suggest that's exactly what we're doing today.

"We're the succeeding generation to this Mr. Arlee E. Porter and what we're doing today is taking a step that seems harmless on this page and harmless on page 31, but it's going to have consequences in the future that can be beyond remedy.

"Then finally, Mr. Speaker, former Representative Tony Kunimura said, 'in environmental legislation, prevention of irreversible damage to the environment is a paramount concern and it is most critical that no action move ahead until valid environmental issues have been resolved.' Well that was a wonderful generation, 25 years ago or 26 years ago."

At this time, Representative Rath yielded his time to Representative Thielen.

Representative Thielen continued, stating:

"Thank you. 25 or 26 years ago a wonderful generation that took a very positive step. It was unusual. I think we were one of the leaders with our environmental laws. We had other giants such as Boyce Brown, who was the attorney that took on so much pro bono work to protect our environment. We had wonderful people out there working to preserve what is unique and special to Hawai'i and what makes us the mecca for the world as a place where our environment is really treasured and protected. So today, 26 years later, we have new leaders in the Democrat controlled House of Representatives that I say need to go back and look at what those who came before them believed in and said should be the policy for our State.

"While this bill seems innocuous and the bill on page 31 slightly innocuous, it's setting us down a road that counters all of that wonderful work that was done by those leaders that came before us. And it will be those that follow us another generation or two after this that are going to have to bear the consequences. And we may not be able or they may not be able to undo it. So I would urge my colleagues to reject this bill, and in the event they need to go ahead and exempt the Hawai'i Tourism Authority from preparing environmental assessments, at least when you get to page 31, just say no. Thank you."

Representative Kaho'ohalahala then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

Representative Kanohe then rose to speak in support of the measure, stating:

"I thank the Representative from Kailua for the history, but the fact that those men did not make a requirement that tourism expenditures not be subjected to the EIS process would indicate to me that it was not the intention to do so. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2245, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," passed Third Reading by a vote of 46 ayes to 1 no, with Representative Thielen voting no and Representatives Cachola, Garcia, Okamura and Santiago being excused.

The Chair directed the Clerk to note that H.B. Nos. 2878, 2955, 2961, 2973, 2986, 3001, 2098, 2558 and 2245 had passed Third Reading at 1:29 o'clock p.m.

At 1:29 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:32 o'clock p.m.

Stand. Com. Rep. No. 763-00 and H.B. No. 1873, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1873, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 764-00 and H.B. No. 1908, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1908, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Morita rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Morita's remarks are as follows:

"Mr. Speaker, I rise in support of Standing Committee Report No. 764-00, House Bill No. 1908, HD 1, Relating to the Individual Development Account Contribution Tax Credits.

"Last year, the Legislature passed a bill supporting the concept of individual development accounts or IDAs. We continue our support with this bill that establishes the tax credit, which was inadvertently left out last year. As most people are unfamiliar with the concept of IDA, I want to touch on that subject.

"IDA is a policy tool that helps struggling families build assets. Individual development accounts are matched saving accounts that are similar to individual retirement accounts (IRAs). Use of the assets accrued in IDAs is usually restricted to post-secondary education and training, business capitalization, and home ownership. In his book, Assets and the Poor: A New American Welfare Policy, Washington University Professor Michael Sherraden argues that people move forward economically through savings and investment, not through spending and consumption. Owning assets gives people a stake in the future -- a reason to save, to dream, and to invest time, effort, and resources in creating a future for themselves and their children. As Sherraden puts it, 'Income may feed peoples' stomachs, but assets change their heads.'

"In the United States the distribution of assets is much more unequal than the distribution of income. Ten percent of Americans command 40 percent of national income and one percent control as many assets as the bottom 80 percent. This kind of inequality places home ownership, business ownership, and higher education out of the reach of many Americans and, in doing so, prevents them from advancing economically.

"Historically federal welfare policy has penalized asset acquisition by denying eligibility to public assistance recipients who exceeded the \$1,000 asset limit. On the other hand, the federal government subsidizes asset acquisition for many others at a level of \$200 billion annually in the form of home mortgage deductions, preferential capital gains, and pension fund exclusions. Unfortunately, too many families, often headed by a single mother, lack the resources to take advantage of these kinds subsidies.

"Building a sustainable new economy for Hawai'i takes the active participation of everyone, and your women legislators have introduced and supported policies that enable positive support for disadvantaged families and communities to work toward self-sufficiency. Economic security and opportunities for women stabilizes and strengthens families and communities and this kind of legislation works toward that goal.

"On behalf of the Women's Legislative Caucus we thank our fellow members for their support of this critical piece towards economic sustainability and self-sufficiency for families."

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"We are all aware of the fact that the sweeping welfare reform has forced states to come up with creative ways to help the poor become more self-sufficient. Economists all agree that the only way to ensure financial security is to have a savings plan. It is virtually impossible for the poor and working-poor to save, when all of their money is put toward essentials for living: food, rent, clothing, medical necessities, etc.

"IDAs benefits are two-fold.

"(1) It creates savings. By having a savings cushion, when former welfare recipients who are working suffer financial setbacks, they will not automatically be forced to go back onto welfare. This cushion will help see them through difficult and unexpected economic set-backs.

"(2) Savings create incentives for the working-poor. Economic research indicates that when people begin to have savings, this encourages them to take an active role in their financial lives. This interest in their finances can only lead to further growth. "People move forward economically through savings and investment, not through spending and consumption." (Professor Michael Sherraden).

"Because savings are the best way to keep former welfare recipients from returning to welfare, it is in the State's best interest to encourage savings programs. The best way to guarantee the success of an IDA program is to allow tax credits to those individuals, corporations, and organizations that provide the matching funds for IDAs.

"Many other states are also providing for contributor tax credits in order to encourage IDA programs. Given that a high percentage of employed welfare recipients return to the welfare rolls, the potential for IDAs to: promote employment; promote skill and job upgrading; lead to economic stabilization; encourage goal development; and aid in economic independence, makes the IDA not only worthy of investment, but worthy of the state to encourage investment."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1908, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNT CONTRIBUTION TAX CREDITS," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 765-00 and H.B. No. 1939, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1939, HD 1, entitled: "A BILL FOR AN ACT RELATING TO KAHOLAWE ISLAND RESERVE COMMISSION," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 766-00 and H.B. No. 2096, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2096, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EDUCATION," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 767-00 and H.B. No. 2143, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2143, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM PRINCIPAL AND INCOME ACT," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 768-00 and H.B. No. 2492, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2492, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 769-00 and H.B. No. 2549, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2549, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INDIVIDUAL WASTEWATER SYSTEMS," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 770-00 and H.B. No. 2604, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2604, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 46 ayes, with Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

Stand. Com. Rep. No. 771-00 and H.B. No. 2619, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2619, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to speak in support of the measure with reservations, stating:

"I have some concerns. My community has certain concerns about a bill that just seems to show conflict between two state agencies. Thank you."

Representative Goodenow then rose in support of the measure with reservations and asked that the remarks of Representative Yamane be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Hiraki rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Hiraki's remarks are as follows:

"Mr. Speaker and Members of the House, almost everyone is affected by traffic delays caused by road construction. Whether you live in Kakaako or Kahuku, traffic delays are an inconvenience. Although no one likes delays, road construction is necessary.

"To expedite the process of road maintenance, the Department of Transportation has in the past worked during the night. Night construction, although a noisy task, has benefits including expending less money and time, thus inconveniencing people for a shorter period.

"To ensure that the community has input into this project, we amended this bill to require that the Department of Transportation must get approval from the H-1 Corridor Task Force before any noise variance may be obtained. Speaking as

a representative of one of the districts affected by this project, I will work closely with my community to ensure that construction will be done quickly but with attention to concerns from area residents. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2619, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NOISE," passed Third Reading by a vote of 45 ayes to 1 no, with Representative Halford voting no and Representatives Cachola, Garcia, Herkes, Okamura and Santiago being excused.

The Chair directed the Clerk to note that H.B. Nos. 1873, 1908, 1939, 2096, 2143, 2492, 2549, 2604 and 2619 had passed Third Reading at 1:35 o'clock p.m.

Stand. Com. Rep. No. 772-00 and H.B. No. 2820, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2820, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Marumoto rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Marumoto's remarks are as follows:

"Our State Constitution presently allows for the use of SPRBs for not-for-profit corporations that provide early childhood education and care facilities serving the general public.

"This amendment simply extends the use to not-for-profit elementary, secondary schools, universities and colleges that serve the general public.

"These independent schools expect to save money using tax-free bonds even though the process entails time, expense and energy to prepare a bond request. They will then have to compete with other entities, mostly public utilities, for a piece of the annual bond authorization, which is limited by federal law.

"Since the risk is borne by the private sector school and not by the State, it is most worthy of our support. The school community and the people of the State of Hawai'i benefit so it is a 'win-win' situation."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2820, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 44 ayes to 3 noes, with Representatives Catalani, Luke and Takumi voting no and Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 773-00 and H.B. No. 755, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 755, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 774-00 and H.B. No. 2194, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2194, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of this measure as a legislator who favors developing high technology services for use by ordinary citizens. I wish to state that this measure represents a considerable effort to lessen the digital divide and at the same time, expand the public's ability to gain access to its government via the Internet.

"The bill serves to strengthen Public Access by increasing its staffing resources. The Internet is a powerful and convenient tool enabling our citizens to remain connected with their government leaders and this bill does much to promote this worthy goal. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2194, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCESS," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 775-00 and H.B. No. 2204, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2204, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ETHANOL," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 776-00 and H.B. No. 2273, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2273, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Arakaki rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Arakaki's remarks are as follows:

"Thank you for this opportunity to speak in favor of the passage of HB 2273 "Relating to the Hawai'i Children's Trust Fund." This measure anticipates a one-time appropriation to the Trust Fund from monies received by the State's share of the Tobacco Settlement Fund.

"This funding would greatly enhance on-going efforts by the Children's Trust Fund to support innovative projects holding promise for the prevention and successful intervention in unhealthy practices among our youth. Smoking, drinking and alcohol always come first to our minds when talking about threats to the lives of young people--but academic failure, malnutrition and a lack of exercise also hold dire, often fatal results for them and us over time.

"If we can successfully impart healthy habits at all levels for all our lives, then we are repaid as a society with the contributions of creativeness and intelligence, lower medical costs and less catastrophic treatments.

"The trust we truly hold is to give our children and youth the best opportunity for a long, healthy and contributing life--we keep that trust when we support efforts like the Children's Trust Fund. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2273, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII CHILDREN'S TRUST FUND," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 777-00 and H.B. No. 2280, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2280, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Stegmaier rose to speak in support of the measure with reservations, stating:

"Just to say very briefly that I'm not sure that after five years of the school-to-work effort in the State and the expenditure as of the end of this year of some \$10.6 million that we should keep this going, at least in the form that it is right now. What we're doing is keeping the Council operational. I think what we ought to do is reward those who over the past five years have succeeded and make sure that their school-to-work efforts continue. But I'm not sure that we should keep the entire state apparatus and council in place and spend monies in that way. Thank you."

Representative Rath then rose in support of the measure with reservations and asked that the remarks of Representative Stegmaier be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Meyer rose to speak in opposition to the bill and asked that her remarks be inserted into the Journal, and the Chair "so ordered."

Representative Meyer's remarks are as follows:

"Mr. Speaker, I am firmly committed to improving our educational system, and while there may be merit in school-to-work activities, I am concerned about the inability to measure the success of programs like this. We need to invest in our educational system, but "feel good" programs like this school-to-work project divert already scarce resources away from where focus should be, which is on the basic skills of reading and writing. I ask my colleagues to vote no on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2280, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-TO-WORK," passed Third Reading by a vote of 45 ayes to 2 noes, with Representatives Fox and Meyer voting no and Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 778-00 and H.B. No. 2408, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2408, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Fox rose to speak in opposition to the measure, stating:

"Mr. Speaker, it was with great sadness that I rise in opposition to Standing Committee Report 778, works of art special fund use.

"Mr. Speaker, this is an exemplary program that set a national model when we took the money from capital improvements projects and set aside one percent for works of art.

"Clearly, the understanding is that the works of art were to be part of the process of doing construction activity in Hawai'i. It was a national model. I know that the State Foundation on Culture and the Arts have supported this, but they did so reluctantly. They see what's happening and that is that the money from this fund is going to be used for purposes other than its original purpose. It's a sad day to see that happen in Hawai'i. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2408, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE

STATE FOUNDATION ON CULTURE AND THE ARTS," passed Third Reading by a vote of 45 ayes to 2 noes, with Representatives Fox and Marumoto voting no and Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 779-00 and H.B. No. 2429, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2429, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 780-00 and H.B. No. 2501, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2501, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support of the flexibility in the interest rates given to the Department of Hawai'ian Home Lands. I think allowing the Commission to set interest rates will enable them to develop more responsive programming for their beneficiaries. Thank you."

Representative Kahikina then rose in support of the measure and asked that the remarks of Representative Kaho'ohalahala be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2501, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

Stand. Com. Rep. No. 781-00 and H.B. No. 2528, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2528, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SAFE DRINKING WATER," passed Third Reading by a vote of 47 ayes, with Representatives Cachola, Okamura, Santiago and Schatz being excused.

The Chair directed the Clerk to note that H.B. Nos. 2820, 755, 2194, 2204, 2273, 2280, 2408, 2429, 2501 and 2528 had passed Third Reading at 1:41 o'clock p.m.

Stand. Com. Rep. No. 782-00 and H.B. No. 2789, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2789, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Abinsay rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Abinsay's remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 2789, HD2, Standing Committee Report No. 782-00 - Relating to Hawai'i Organic Agriculture Appropriation.

"Mr. Speaker, the purpose of this bill is to appropriate matching funds to assist the Hawai'i Organic Farmers Association in developing local and overseas markets for Hawai'i grown organic produce.

"Mr. Speaker, organically grown produce is an expanding niche market. Certified organic agriculture represents one of the fastest growing sectors in Hawai'i's diversified agriculture and we could be playing a significant role in this field. And in this time that the agriculture industry is searching for various opportunities to diversify, I believe that it is logical for us to take advantage of this market, and give them our support in order for it to grow and flourish. Please bear in mind also that the industry has pledged its matching contribution toward this endeavor.

"Therefore, I ask you to support passage of this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2789, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR HAWAIIAN ORGANIC AGRICULTURE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 783-00 and H.B. No. 1777, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1777, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Goodenow rose to speak in support of the measure, stating:

"The very fact that the Administration opposed this measure and that the Public Utilities Commission opposed the bill because it 'segmented the existing process and created monopolies by vehicle types' shows why we need this very bill.

"The Public Utilities Commission, in my opinion, is trying to increase competition. I don't think this is necessarily bad, but it does beg the question, why do we regulate motor carriers at all? I think the Chair of the Transportation Committee has rightly identified this oxymoron of regulators deregulating as a policy problem. I just want to bring this to this body's attention. As this bill moves forward, I hope that all parties will come together to further review regulation and the role of the PUC and implementing regulatory policy in this area so that we can all work together on this issue. Thank you."

Representative Whalen then rose to speak in opposition to the measure, stating:

"I don't want to steal Representative Herkes' thunder, but in opposition to this bill.

"Why regulate motor carriers? That is the \$64,000 question, or whatever it is now. We're the only State in the nation to do it. I find it interesting that the PUC would be defined as trying to deregulate itself. If that were true, I would applaud their behavior. I note that this bill comes out of a series of bills that we heard in CPC that came out of the Transportation Committee that basically had one company testifying for it and everyone else against it.

"This bill, as it originally came out of the Transportation Committee -- which is a good question, why do we regulate motor carriers -- was designed to make it very specific for someone applying for a PUC license. They had to know and had to have every 'I' dotted, every 'T' crossed. I will credit our CPC Chair, who did amend it so it only applies to passenger carriers of seven or more because the PUC was very clear and it said that there are many people, brand new businesses, that will come in without lawyers because they don't have the money for

lawyers -- because lawyers are so expensive -- and they don't have everything crossed, every form filled out perfectly.

"The one company that opposed it said that this was in the best interest of the other guys out there so that we know how to address the hearings on allowing a new licensee into the market. Well that's just it, it's designed to stifle competition. If you look at the bill, it says if the applicant doesn't do everything perfect, the permit is denied. They have to start all over again. How many brand new businesses have the expertise, the knowledge and know-how to do everything just perfectly or pay for a bunch of lawyers to go in and reread everything and do it just right for them?

"Mr. Speaker, I come at this from a different angle, I suppose, in that I feel that we do need more competition. We do need the market opened up. We do need brand new business being able to compete in this market and contribute to our economic base. This bill moves us in the opposite direction, indeed, opposite to the rest of the country. It moves us further backwards while the rest of the nation has moved forward and out of regulating this industry. We looked at a series of bills this session, last session, the session before which continually moved us towards more and more regulation. It is definitely the wrong direction to go. Thank you."

Representative Herkes then rose to speak in opposition to the measure, stating:

"I rise in strong opposition to this bill. This bill is regulation to regulate regulation. We just keep piling regulation on ground transportation that there's such a tight group of businesses now that competition just cannot get in. It has had a negative impact on the eco-tourism business where they can't even transport from hotels to another tourist site. I get call on that on a weekly basis. We just have to start deregulating ground transportation. That's what, legislatively, all of you say, that's what the PUC says, that's what the Department of Transportation says. This is big business and big labor regulating themselves to make sure that they keep opposition out.

"I'm well familiar with this. We used to own Greyline when I was with Island Resorts. We loved it. It kept the competition out. We get our rates set every year. We made money. It was a great deal. The consumers did not benefit. If we deregulate ground transportation, we're going to benefit every single consumer in this State."

Representative Fox then rose to speak in opposition to the measure, stating:

"I want to compliment the Representative from Waimanalo for his absolute candor in calling this an anti-competitive bill. I appreciate that open description and would encourage further such candor in the future. Thank you."

Representative Rath then rose in strong opposition and asked that the remarks of Representatives Whalen and Herkes be entered into the Journal as his own, "with the exception of owning Greyline," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1777, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," passed Third Reading by a vote of 42 ayes to 8 noes, with Representatives Fox, Halford, Herkes, Kanoho, Meyer, Pendleton, Rath and Whalen voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 784-00 and H.B. No. 1884, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1884, HD 2, entitled: "A

BILL FOR AN ACT RELATING TO ENERGY," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 785-00 and H.B. No. 2906, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2906, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TOWING COMPANIES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 786-00 and H.B. No. 1875, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1875, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Ito rose to speak in support of the measure, stating:

"Mr. Speaker, this bill is the proposed accountability system for the Department of Education. It is a system that includes a balanced set of consequences, including rewards, assistance and sanctions, all aimed at student achievement of the Hawai'i Content and Performance Standards.

"The accountability system will impact everyone within the system, the students, parents, teachers, school staff and administrators, district and state staff, and the Superintendent of Education, as well as the Board of Education.

"What the accountability system also requires is for responsibility to be assumed by others outside of the Department of Education system -- the business community, the union and political leadership.

"Mr. Speaker, our educational system needs House Bill 1875 to provide the legal mandate and authority to proceed with building an educational accountability system that put the children and their accomplishments first."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1875, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATIONAL ACCOUNTABILITY," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 787-00 and H.B. No. 2741, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2741, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Takumi rose to speak in opposition to the measure, stating:

"I have comments that I'll add later on about the whole issue of privately operated prisons, but on this bill it cites a specific area for this prison on the Big Island. And I simply think that we are not in the position to determine where that site should be. It should be left to the Department of Public Safety who is in a better position to know what their needs are and where it would be best to have a prison. Thank you."

Representative Garcia then rose to speak in support of the measure, stating:

"Mr. Speaker, just for the information of my colleagues and especially the previous speaker, this is the bill that does not speak to the specific siting of the facility. That is for another measure that we are going to be discussing later on the agenda.

"Mr. Speaker, I have some comments in support of this measure. These comments were submitted during Second Reading. I'd like to if I could read some excerpts from those written remarks for the edification of my colleagues today.

"As my colleagues are aware, this bill is a significant change in my position on the issue of private prison operation. Indeed, to this day I remain very concerned about certain aspects of prison privatization, and this measure is an attempt to alleviate my concerns. With the help of my colleagues, I hope it may be possible to move this concept forward.

"The House has an array of measures concerning our corrections system this session, and, judging by the legislation introduced, I am happy to report that there seems to be a bipartisan consensus. Many of my colleagues now agree that the time has come for a new approach to this age-old concern: prison overcrowding fueled by substance abuse and crimes related to those offenses.

"Upon reviewing this legislation concerning prisons, it appears that my colleagues, the Administration and I agree that, as one bill says, 'the mind-set of building more to house more people does little to address the true problem in our community that causes symptoms such as overcrowded prisons.' The 'root cause,' and the target of much of this legislation, is the failure to adequately deal with substance abusers in need of appropriate treatment. Another bill introduced this session correctly notes that 'the addictive nature of narcotics...is such that prison overcrowding and recidivism are virtually guaranteed if imprisonment alone is the State's solution to the problem.' A final example, this one from my colleagues across the aisle, proposes to establish 'correctional treatment facilities' to attack the 'root cause' that most of us seem to agree is untreated substance abuse. I have benefited from the work of my colleagues in reviewing all of these bills, and I thank them for their input and support concerning this crucial issue.

"This argument for rehabilitation is not a new one. And if I could direct the members attention to the editorial in this morning's paper, which has been so adequately and richly explained by my colleague, the Chair of the Health Committee. What is novel, however, is the motivation this year to carry through with some innovative ideas to attack the issue.

"The facility proposed in this bill is to be specifically designed for and operated as an intensive treatment facility. What we must not do is build another facility like Halawa, which is poorly suited for rehabilitation and, despite all the efforts of the State, remains an embarrassment. The vision of this legislation is to create a therapeutic community within this proposed facility. In addition to substance abuse treatment, the facility will address the particular needs of each individual inmate. The facility, in my vision, will provide a wide array of culturally and gender appropriate programs, mental health programs, transitional programs, cognitive restructuring, remedial education, and vocational training. I believe this type of facility is the answer to breaking the cycle of recidivism, and will do far more to increase public safety than simply 'warehousing' offenders who need these types of help.

"Unlike many other states with private correctional facilities, under this bill it will not be legal for offenders from outside of Hawai'i to be housed within this treatment facility. Part of the philosophy guiding the construction of this facility is my strong belief that separating offenders from the community to which they will eventually return is not only wrong, but it is counterproductive to the treatment the offenders need. It is crucial for the offender, his or her family, and the community, to participate together in the treatment process. Importing offenders to a Hawai'i facility obviously runs counter to that necessity.

"Other features of this bill aim to head off some common abuses found at private correctional facilities in other jurisdictions. For instance, the private operator will not be able

to choose which inmates are housed in, or removed from, the facility. In some states the private developer carefully culls the least problematic inmates and does not accept those inmates they fear will be troublesome. This partially explains why some private facilities boast of being operated better. Of course, it is easier to operate a facility with hand-chosen inmates. The bill would also prevent the private operator from making a decision that affects the sentence imposed on an inmate or the time served by an inmate. This is to thwart the temptation for the operator to lengthen the stay of an individual in order to keep the facility full.

At this time, Representative Morita yielded her time to Representative Garcia.

Representative Garcia continued, stating:

"The facility I propose will also break away from the way typical privatized correctional facilities are understood to operate. The contract will be such that instead of simply contracting for service from the operator that is essentially the same as what is available in existing public sector operation, the State instead, will be paying the operator to provide the desired outcome -- the outcome of offenders being successfully reintegrated into society.

"Mr. Speaker, there has been a need for this type of facility for some time, and the need will not go away if we decide to simply build another prison and hire a private contractor to operate it. Going to the mainland is wrong. We need a facility that can seriously help us to fight recidivism, and we need to build this facility in the State of Hawai'i. Thank you, Mr. Speaker."

Representative Arakaki then rose to speak in opposition to the measure, stating:

"Mr. Speaker, I truly appreciate the understanding of the previous speaker who is the Chair of Public Safety because I know he understands where the real needs are and where we should be focusing on. But that's exactly my concern because we seem to be focused on facilities and it seems like that's the answer to all our problems. But I think we should remind ourselves that 'there's no such thing as a free lunch.' By the way, Mr. Speaker, thank you for the lunch today.

"There's another saying that says 'if you build it, they will come.' And it's like prisons, because this is the experience across the country. If you build a prison, you will fill the beds, one way or another. If you look at why we have this problem of prison overcrowding, 'we have met the enemy and the enemy is us.' We create these laws that require mandatory sentencing and require that certain offenses result in incarceration. In fact, I don't want to get away from the need maybe for punishment because that's part of incarceration, but I think we have to realize that most of the people that we incarcerate eventually have to be integrated back into society. And the question we have to ask is do we try to rehabilitate them or do we just send them out and just pray that they don't come back again?"

"Until we can address those concerns -- to continue to look at how we can expand the number of prison beds we have -- this country, I think, reached a milestone, we're incarcerating over a million people. That's the highest rate of incarceration out of any country. I think it's a shameful record. I really think we need to look at how we can build lives, rather than warehouse them. Thank you, Mr. Speaker."

Representative Pendleton then rose to speak in support of the measure, stating:

"Mr. Speaker, first of all, I'd like to thank the Chair of the Public Safety Committee for his comments, but more importantly his very good work on this important piece of legislation. I would like the Chair of Public Safety's remarks to

be inserted into the Journal as though they were my own," and the Chair "so ordered." (By reference only.)

Representative Pendleton continued, stating:

"And Mr. Speaker, I'd like to add a few remarks of my own as well.

"First, the Chair of the Human Services Committee is correct to say that facilities are not the answers to all of our problems. Facilities are part of the answer to our problems. Right now we have a situation, Mr. Speaker, where we have an increasing number of inmates, overcrowding is one way to describe it. We also have contracts with mainland facilities. Those contracts may be running out in the next 18 months or at least begin in the 18 months to two years. Where are we going to put those people? Where will they reside? I think those challenges pose an opportunity. An opportunity which this bill on privatization with respect to our prisons addresses in an appropriate and reasonable fashion.

"Mr. Speaker, I have the Women's Community Correctional Center in my district sited in the area of the Enchanted Lake section of Kailua or the Pohakupu section of Kailua. When I visited the warden there and the inmates in the facility there, not too long ago, few weeks ago, I met with the Director of their treatment center, the TC there. They have 15 beds for 250 women. The 15 beds are completely voluntary. As I met with the people who are providing the rehabilitation, the treatment, and spoke with the inmates, the women, who voluntarily become part of that program, they said, I'm so glad that we have this program here, and I'm so glad that I got caught using drugs, or whatever it was.

"It was amazing to hear them use those words because I'm not a parole officer. They don't need to impress me. I'm just a legislator seeing how I can help. But they told me that because they were there, because they're in that situation, they have that opportunity for treatment. Because they said if they were out on the streets, there would be no incentive for them to want to get that treatment. They figure while they're there they might as well take advantage. And they talked about and shared about how the treatment program has turned their lives around.

"No, facilities are not the answer to all of our problems, but they can provide a safe place where we can help transition them, help correct their behavior, provide them drug rehab treatment and help. Then follow through when they are released with parole and probation to make continuing participation in those kinds of treatment programs a condition of parole or probation or what have you so that there's follow through, transitional program.

"I believe that sentencing people to those places sometimes is the last resort. Sure we don't want to just 'warehouse' people. We need to put them in a place that keeps the society safe, that allows us to set standards and say there are consequences for breaking our laws. That's what we want to do. This bill is good precisely because it doesn't just 'warehouse' people.

"Mr. Speaker, one of the things that the Chair of Public Safety and the other Committee members wanted to do with this bill was to move it in the direction of providing drug treatment and drug rehab. Something very, very innovative. We're even looking at, hopefully, eventually, having incentives so that those who operate the private prisons don't just have an incentive to fill the place, but have some sort of incentive to make sure that the treatment is effective. That the outputs are positive ones. That the effect of them being there result in diminished rates of recidivism. That they don't come back and somehow there's some kind of incentive to deprive its operator so that those people who once were incarcerated there no longer returned. We'll have to work on that, but that will be a goal.

"Mr. Speaker, I think that we have a big challenge facing us right now, but this bill provides a big opportunity, a positive

opportunity to fix and correct some of the wrongs of the past. We have good economic reasons to support this bill. The savings realized by privatization can then be put into rehab and those kinds of services.

"Also I think we have a moral obligation, Mr. Speaker, to do more than just 'warehouse' people and say that we're just going to lock you up and put you away and then let you out without taking care of you. We have a moral obligation to do everything we can during the time period they're incarcerated to make sure they don't fall into those bad habits, to make sure that they stay on the straight and narrow and that we can turn their lives around. It's a 'win-win' for everybody if this bill moves forward, Mr. Speaker. Thank you."

Representative Takumi then rose to speak in opposition to the measure, stating:

"I'd like to make additional remarks and thank my colleague from Waipahu for pointing out that it was the upcoming bill that related to the site specific place and I'd like to ask that my initial remarks be written for House Bill 2739, HD 2, Stand. Com. 864," and the Chair "so ordered."

"But for this bill I'd like to offer a few comments in opposition, Mr. Speaker. I totally agree with the Public Safety Chair that we need to move toward rehabilitation rather than punitive punishment. I know he wants to move in that direction and I applaud that direction.

"My main concern about this is the privatization. I'm not opposed to privatization of government functions, after all, I support the privatization of our recreational boat harbors at the Ala Wai and Keehi. However, I believe that public safety functions, such as police, fire and prisons should be functions of government and not privatized and I have several concerns. Among them, contracting will not allow the government to escape liability. In fact, it has the potential to increase government's liability. Contracting reduces accountability because private employees are insulated from the public and not subject to the same political controls as government employees are. Contracting carries the risk of bankruptcy by the vendor. Contracting reduces the quality through the pressure to cut corners economically. After all, the goal of a privately run prison is to make a profit.

"For example, in Florida, the U.S. Corrections Corporation, one of the biggest private companies managing prisons, was found to be in violation of a provision in the state contract that required that its prisoners be placed in meaningful work or educational assignments. That company had assigned 235 prisoners as dorm orderlies when no more than 48 were needed and enrollment in education programs is well below what the contract called for.

"Lastly, Mr. Speaker, contracting would decrease professionalism of 'rank and file' prison employees because they would be underpaid and insecure, and thus not be able to develop a career orientation. And like any public safety job, Mr. Speaker, I believe corrections officers should be a professional career. Almost all workers at state prisons, as in Hawai'i, get union scale pay, but salaries for private prison guards range from about \$7 to \$10 an hour. Poor pay and work conditions have led to huge turnover rates at private prisons. A report by the Florida Auditor's Office found that the turnover at its Gadsden Correctional Facility for Women, run by U.S. Corrections Corporation, was 10 times the rate that it was at their state prison.

"Finally, Mr. Speaker, I would hope that as we move this bill along, I hope we can move in the direction of Illinois, which has outlawed the privatization of prisons. Illinois believes that the imposition of punishment on errant citizens through incarceration requires the state to exercise its coercive police powers over individuals, and is thus distinguishable from privatization in other areas of government.

"Mr. Speaker, I share this belief and for this reason I cannot support this bill. Thank you."

Representative Catalani then rose in opposition to the measure and asked that her comments be inserted into the Journal and that the remarks of Representative Takumi be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Catalani's additional remarks are as follows:

"I am in opposition to this measure because of the privatization of correctional facilities.

"First, privatization does not improve public safety. There have been over 100 escapes from 'secure' facilities since 1995.

"Second, private facilities operate on profit margins to satisfy corporate shareholders. While the private companies may make promises to obtain contracts, once the companies receive the contract, their ultimate concern is their profits.

"Third, private operated correctional facilities do not provide the same standard of care and treatment for inmates as the State facilities provide. Privatizing our correctional facilities will remove the all Legislative oversight of the operations at the facility. The Legislature is increasing its focus more on rehabilitation services and facilities to reduce prison overcrowding. Rehabilitation services and facilities require additional staff, training, and higher operating costs. The private companies that operate the private correctional facilities are interested in decreasing costs and increasing profit, this does not ensure rehabilitation for offenders and safety for the public.

"Fourth, privately-operated correctional facilities do not save money. For these reasons, I oppose this measure."

Representative Takai then rose in opposition to the measure and asked that the remarks of Representatives Arakaki and Takumi be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Case then rose to speak in support of this measure, stating:

"First of all, I'd like to endorse the remarks of the Chair of Public Safety as well as the Minority Floor Leader.

"Briefly, what I would like to convey is that, in response specifically to the comments about the problems with the private operation of prisons elsewhere in the country, I believe that the Chair of Public Safety has very much anticipated those concerns and has dealt with them in this bill. So those concerns have been noted, those experiences have been noted and I believe we've taken corrective action.

"Let me go a step further and say that very rarely when we deal with complicated issues on the floor of this House do we have a black or white answer. As I've said, often it's just shades of gray. I am sure that we can sit here and find fault with the private operation of prisons, but I would respectfully submit to my colleagues that when we look at the cost and operation of our own state prisons over the last decades, the public operation of those prisons, we have certainly not had anything that I believe any of us should accept. I think we owe it to ourselves to look back at ourselves and say, has the public operation of our prisons worked? And I think we have to conclude that there have been major problems in the public operations of our prisons.

"So when, for example, I see the State Auditor rightly questioning the operation of the prisons by the Department of Public Safety, I say to myself, boy would I hate to have to take this system the way we have it today and try and make it work,

because it is becoming rapidly unworkable, and we need to strike out in a new direction. I commend the Chair of Public Safety for doing that and I hope this House will support this initiative. Thank you."

Representative Kaho'ohalahala then rose to speak in support of the measure, stating:

"This bill, as amended, goes a long way, Mr. Speaker, toward promoting the rehabilitation of our prison population by providing services that are culturally- and gender-appropriate. The bill provides actual incentives for rehabilitating inmates sending a clear message that Hawai'i does not want merely to incarcerate our inmates, we want to help them to become contributing members upon release and integration into our communities once more.

"So I want to say, Mr. Speaker, that this bill is an improvement and the reason it's an improvement is because of the participation we've had from the communities in this process. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2741, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PRIVATELY-OPERATED CORRECTIONAL FACILITIES," passed Third Reading by a vote of 45 ayes to 5 noes, with Representatives Arakaki, Catalani, Morita, Takai and Takumi voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 788-00 and H.B. No. 2511, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2511, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 789-00 and H.B. No. 1864, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1864, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE PROCEDURE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 790-00 and H.B. No. 1883, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1883, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Morita rose to speak in support of the measure, stating:

"Thank you. On the front page of this morning's Advertiser was an article, 'Gas Prices Expected to Hit \$1.80 a Gallon.' What is causing the price of gasoline to rise is one of the many reasons why we need to act on this bill. Oil prices are set mainly by oil politics, something the State of Hawai'i has no control over. The article goes on to state, 'the oil producers cut production by four million barrels a day over the past year in a successful effort to boost oil prices. Oil prices have soared from \$11 a barrel in 1998 to more than \$32.18 a barrel at the moment, the highest closing price since November 1990.'

"At the present time, worldwide, the consumption of oil is two million barrels a day greater than the supply. Under this scenario, someone, someplace is going without. So how does this affect us in Hawai'i? First of all, we are 92 percent dependent on fossil fuels to meet all of our energy needs. A rise in oil prices means a rise in cost in all sectors of our economy, not to mention the additional hundreds of millions of

dollars exported out of this State just for the rise in fuel costs alone.

"On Kauai, the rise in oil prices mean a rise in a household electric bill of about \$25 per month, the cost that the electric companies automatically pass on to the ratepayers. So with 30,000 households on Kauai and a population of about 56,000, we pay way over \$600,000 a month just to deal with the rising cost of oil for electricity needs. That's a lot of money coming out of people's pockets. All at the cost of oil politics.

"The introduction of renewable energy into a utilities energy resource portfolio is the first step to countering Hawai'i's vulnerability and dependency on fossil fuel. The future is bright for renewable energy with major advances in technology. We need to put a policy in place that will lead the way to these bright prospects. We need a policy that is a 'boon' to our economy rather than a drain on our economy. Business as usual will only tie us to the vulnerability of oil politics. We owe it to businesses, our residents and future generations to lead the way in a very important aspect of this new economy."

Representative Kanohe then rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. On the same measure, I have several serious concerns and am voting no and to emphasize those concerns I have some comments I'd like to make.

"I wish to state, unequivocally, that I strongly support renewables as does everyone here and throughout the State. My record in very strong support of various measures and actions over the years on hydro, solar, biomass, waste to energy conversion and ethanol production, attests to this fact.

"Up to this point, House Bill 1883 would impose arbitrary standards without regard to 'do-ability,' without due consideration for economic feasibility, without regard to public acceptance, particularly with the requirement for substantial acreages for photovoltaic panels or dozens of windmills the height of Aloha Tower and view planes at that.

"And not all islands are blessed with sources for hydro or geothermal power. It is particularly disappointing for me after several years of attempting to help the construction of two hydro plants on Kauai, including the initiation of bills and introduction of special authorization for special purpose revenue bonds, to have those projects rejected by certain elements of the community after the developer had spent millions of dollars in futile attempt. And you will hear and you have heard that the developer may have had a questionable reputation and that the farmers would have been adversely impacted. I can tell you that it is not so.

"This bill also contains provisions for substantial penalties for the purchasers of credits. Both would only serve to arbitrarily inflate costs, which would be passed on to and absorbed by the public and to some islands who are already faced with the highest rates in the nation.

"It must also be realized that some renewables, such as wind and photovoltaic, and hydro in some instances, are intermittent sources of electrical energy since wind and water flow fluctuates and the sun does not shine at night. Another problem is that power from renewable sources is more often purchased at a time when it is not needed, that is, at a time when overall consumption is low. This means generation equipment, very expensive generation equipment, is underutilized, but on which that service must still be payed. This problem is further exacerbated by the fact that there is a requirement for standby or capacity power in excess of peak loads.

"On Oahu, the standby or capacity power in excess of peak loads is about 450 megawatts, translating into a current displacement generation value of about \$1 billion. Except for the solid waste to energy, H-Power Plant, with a capacity of 46

megawatts, all other potential renewable sources because of its intermittent nature would not reduce the overall generation requirement.

"Out of the analogy here is that if I operated a fleet of cars, I would still be required to use yours if you offered it to me, pay you for rent, but still pay the debt service."

At this time, Representative Goodenow yielded his time to Representative Kanoho.

Representative Kanoho continued, stating:

"The analogy here is that if I operated a fleet of cars and you provided vehicles as well, I would still need to use yours, pay you rent, but still pay the note of the debt service on mine, even though it is idle.

"In conclusion, Mr. Speaker, we do need to pursue renewables. We must strive for independence from fossil fuel because of its pollutant effects, increase in cost as mentioned earlier, and the severe consequences of oil crisis and severed relations with the oil producing exporting countries or their arbitrary curtailment of oil exports to keep prices artificially high. Perhaps, we can subsequently focus on firm power, such as solid waste or hydro that we can look at standards for each island instead which are reasonable and attainable and that we provide good faith efforts are exerted to meet imposed standards. Thank you."

Representative Herkes then rose to speak in support of the measure with reservations, stating:

"I agree that we need to divorce ourselves from over-dependence on oil. I know the economic impacts of that. I had just opened a restaurant in Hilo in 1974 when we were faced with the gas shortage and there weren't any cars on the road. So I understand what can happen when we're overly dependent on oil.

"I think the Big Island can be totally energy sufficient. If we're going to do that we have to deal with the abandoned plant cost. I think that's only fair to the stockholders, most of whom are Hawai'ian residents of those utilities. I think that we need to deal with the permitting procedures for alternative energy. My former colleague in the Senate, who is currently the Chair of CPC, probably remembers in 1988 the problem that we went through in trying to pass the geothermal permitting bill. So there needs to be a balance here. I think we need to move away from dependency on oil for energy. We need to move into these renewables, but we need to do it in an orderly manner, take care of the abandoned plant, and address the permitting problems that have existed to date with renewables."

Representative Yamane then rose to speak in opposition to the measure, stating:

"I'd like the comments from the Representative of Lihue entered as my own. I have some concerns with the way the bill is written right now. It's a requirement. It's a mandate. We have blanks for the percentages and you have blanks for the effective date. If we had the effective date as of this year, next year, I don't think the technology in place today is sufficient for the energy companies to make it reasonable for our ratepayers. Those are my major concerns.

"I have a question about where the percentages are going to go based on the technology because I recently tried to investigate some photovoltaic systems for electrical use at Kaimuki Middle School and found out there isn't enough roof space to power one air conditioning system for one building. I know technology is moving along, but I still think it has a ways to go to make it reasonable. Thank you."

Representative Meyer then rose to speak in opposition to the measure, stating:

"While I support the use of renewable energy sources, as I think we all do in this room, I feel that these renewable portfolio standards are premature. Hawai'i, as a state, has actually led the nation in the past 20 years with the percentage of renewables that it uses. But over the last 10 years, with the failure of sugar, those percentages have been dropping down.

"I'll just draw your attention to the committee report on the third page which the Consumer Protection Committee recognized that there are grave concerns about the short-term cost impact of this measure on consumers. This technology is still fairly new and quite expensive, and for us to mandate that the electric company produce certain percentages with the threat of penalties if they don't, just obviously is going to raise the price of electricity.

"Here we are in Hawai'i, in the middle of the Pacific, we have the cleanest, the best air in the whole United States, but we also have the most expensive electricity. Whereas some of these renewable programs in other states work because they have the ability to interconnect with adjoining states into the electric grid. We don't have that opportunity here in Hawai'i.

"So I think that this is, on the surface, a good idea. I just think it's premature. Thank you, Mr. Speaker."

Representative Thielen then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. We can all stand here and say we are for renewable energy, but the words are meaningless unless we put a law in place that will set us on that path. Mr. Speaker, there were a number of people that were visionaries a few decades ago that said we wanted safer automobiles, led by Ralph Nader, of 'Unsafe at Any Speed' and Congress followed up and said 'we're going to do something about this and put in some mandates.' Well the automotive industry squealed like stuck pigs, but the cost of cars didn't go up. They put in the safety provisions, and we all drive safer today.

"It's really obvious, given the monopoly our utilities have today, that we have to put mandates in place. We can be somewhat lenient with the dates that are put into the bill and with the percentages, but unless we put the mandates in we're not going to see Hawai'ian Electric or the Neighbor Island utilities move ahead at all. There's some testimony from Dr. Akin -- and I may be pronouncing that incorrectly -- but he was stating that the utilities are announcing their intention of carrying fossil fuels scenario at least through the first half of this century. And yet all serious world projections, even a projection by Shell International Petroleum Company, reveal the expectation that the world will be getting 50 percent of its energy from renewable energy by the year 2050. That's within 50 years, 50 percent. Well, Hawai'ian Electric is claiming, no folks, we're not going to change our procedure. We're going to rely upon fossil fuel and we have enough to last us 400 years. Well the experts are saying they are wrong. And I think we need to take the step to say we believe you're wrong.

"Hawai'ian Electric and the Neighbor Island subsidiaries, as the Sierra Club pointed out, are almost exclusively in the fossil fuel burning business. And because of the way that they are proceeding, on this island and the Neighbor Islands, with their new fossil fuel plants it's real obvious, that's all that they're doing.

"What does this result in? Well, it results in our being in the situation that we are really held hostage by the utilities unless we take the step of telling them you've got to change direction. The rest of the United States, for the most part, is changing direction and certainly other places in the world that don't have our natural resources, they're changing direction. Hawai'ian Electric is digging in its heels and saying no we don't have to and as oil prices go up, they just pass that cost down to the consumer.

"We also have a rather disturbing thing from one of our own State agencies, the Department of Accounting and General Services. They responded to an inquiry at one of the committee hearings that they don't have a written plan to incorporate into State buildings other sources of energy besides energy generated by fossil fuels. Hey folks, that's our own State agency that is responsible for State buildings and they aren't even thinking along the lines that we need to direct them.

"So as policymakers, we need to take this step and we need to pass this bill through and then make sure that it is implemented. There's another reason that we need to do that. Those of us that represent areas near the ocean, there's a projection that we're going to see a sea level rise of about 25 inches by the 2100. Whether or not that's exactly accurate and how that translates, I think that a lot of people that aren't beachfront now will be. And those that are beachfront now won't be anymore; their property will be under water. There's massive, massive economic damage that can be done to our island state. Unless we take this step and say, we'll be the leaders."

At this time, Representative Moses yielded his time to Representative Thielen.

Representative Thielen continued, stating:

"I really appreciate my colleagues who are on the side of some issues that I'm testifying on, but, Mr. Speaker, we really need to act like leaders in this way and take a step forward. We can't wait for the utility who is so archaic in its thinking. We can't wait for Hawai'iian Electric to wake up. By then our lights will be out. We'll be so dependent upon costly oil, and we all know what happens whenever there's an oil shortage. Our consumers are the ones that suffer, and then we haven't made any other progress in alternative energy sources.

"The technology, it was mentioned, may be costly now. Everyone knows what happens. When the first computers that came out were only affordable by those that were really very, very wealthy. And then all of a sudden, what happens folks, there's a big demand, there's competition, we set this bill in motion, we put this to work and we have the competition between the different people that want to start the renewable energy sources and be able to compete for this market in Hawai'i. But unless we do this, it won't happen. I hate to see members sliding back into the darkness because we have real chance to move forward with this bill. Thank you."

Representative Lee then rose to speak in support of the measure, stating:

"We live in a state where approximately 93 percent of our electric power generation comes from oil, coal and diesel - some form of hydrocarbon, and that's a lot.

"In the last year, we have seen a 170 percent increase in oil prices. This has increased our electric bills in Hawai'i by \$700 million dollars - dollars taken out of our State's economy without adding one job - without adding one dollar of economic benefit. This money didn't stay here in the State - it went to pay for jobs in Indonesia, Alaska and other such places. If this \$700 million had been placed in renewable energy power plants during this year, how many jobs could have been provided for here, in our State, for our people?"

"This oil cost creates quite a hole in our economy. Now ask yourself, if we had any other situation that cost us so much, wouldn't we consider it to be the number one item on our agenda - to find the source of the drain and insure supports were in place to correct the problem?"

"Our economy is at enormous risk with such increases. We can't provide assurance of costs of energy to businesses that want to come to our State.

"What are the costs to the consumer? In electric bills here in Hawai'i all fuel cost increases are passed directly to the ratepayers. They shoulder the entire burden of the cost. Our local businesses have watched their profits disappearing in ever increasing amounts into their electric meters over the past year.

"The bill before us is designed to begin the journey of helping to stabilize the impact of this fluctuating fuel cost on our constituents. It's not the final answer - it is the beginning of an answer. It will give a signal to the electric utilities of our concern about the direction our energy future is heading.

"Until now, the utilities have done an excellent job of supplying us with our energy. However, almost all of their electricity is produced the old way. This must change. We, as a state, do not have the time to take a 'wait and see' attitude. It is important to insure these newer forms of energy, if available, are used before an oil powered generator is asked to provide the power which can come from these renewable resources. This bill sets the stage to help this become a reality. We need fixed, affordable percentages of renewables now, which at least will head us in the direction of weaning ourselves off fossil fuels in the future? As of today, hundreds of megawatts worth of new oil, coal and other fossil fuel plants are being planned for construction in our State. There is no concrete, projected plan for introduction of renewable resources. This will make it even harder for renewable power to be a useful part of our generation base. This is one of the points that make this bill so urgent.

"Electric utilities, by law, must judge the usefulness of renewable energy within the narrow confines of their franchise authority. It is argued fossil fuel plants are the least expensive so they are the best. What does this mean? It means they are the cheapest equipment to buy at the beginning. But we still have to pay for the fuel - which is the largest cost of these types of plants. We as a legislative body have the charge of looking at the bigger picture. This is why it is important that the groundwork for future renewable generation be legislated by us. In this way, we can insure that the implementation of this technology supports the overall needs of the State's economy. So it is important for us to set the guidelines for the electric utility industry, to insure enough renewable resources are in this mix.

"HB 1883 will guarantee at least part of this new power generation comes from technologies which don't go up and down in cost - which will not have the uncertainty of the increases we have seen in oil prices. What would it be like to have an economy in which we could know our electricity costs? How much would this add to our economic stability? These are two very important questions.

"To have at least a stated percentage of renewable resources within a certain time frame will help this become a reality. It will set an excellent example for the other island nations that are our ohana of the Pacific. Perhaps even allow us to export our knowledge and expertise after a few years.

"Countries such as Denmark are basing their energy future on these renewable technologies - up to 50 percent by the year 2030. Why? Because their economists know it is the soundest way of insuring a thriving economy - by taking the fluctuations of the oil market out of their economic equation and choosing stability instead.

"I am asking that we do the same - choose the road of economic stability. Open the door to an energy future that will provide for enhanced economic strength and security for the State of Hawai'i, and increased future economic protection for our citizens. HB 1883 may be the single most important bill you vote for this session. Thank you, Mr. Speaker."

Representative Cachola then rose in support of the measure with reservations and asked that the remarks of Representative

Kanoho be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Cachola continued, stating:

"The only defense, Mr. Speaker, is that I'm not ready to vote no on this measure so I'm in support of this with reservations. And the reason for that, Mr. Speaker, is that I believe that this bill is still a bill in progress. It can be worked on. I know it's a very important bill. The only thing that I think we should do is find the balance on both parties, or all the parties, both short-term and long-term. With that, Mr. Speaker, I support this bill with reservations, thank you."

Representative Kanoho then rose to speak in rebuttal, stating:

"Mr. Speaker, a very quick comment. Mr. Speaker and members, I would submit that we're all trying to sing the same song, but we're doing it in a little different key. So it sounds like there's this chord. The problem is that we're talking about generalities and those who are in support are talking about generalities. And I ask you, on Oahu, specifically, what renewable can we implement right now or even in the next five to ten years? That is the problem. And if we could answer that question and answer that question realistically, then we've got it made. But I don't think we can. Thank you."

Representative Kaho'ohalahala then rose to speak in support of the measure, stating:

"Mr. Speaker, Hawai'i must encourage the development of renewable energy resources in order to chart a successful course to energy self-sufficiency and decreased dependency on fossil fuel burning. Hawai'i has the natural environment setting to promote and sustain a renewable energies resource market. It is in this light that I wish to see Hawai'i take hold of its precious environmental resources and become a leader in the production of renewable energy.

"This bill is both visionary and represents a constructive step towards encouraging alternative energy generation by providing marketing incentives. More important, Mr. Speaker, this bill serves to safeguard our environment and lengthen our State's carrying capacity. I want to remind you, Mr. Speaker and my colleagues, on the Opening Day our Majority Leader talked about a sustainable Hawai'i. And if you look at what this all means, it's that this bill takes us in that direction one step at a time.

"I want to also remind my colleagues that there's some very wonderful statements that we use, our State's motto: *Ua mau ke ea o ka aina i ka pono* -- the life of this land will continue with our good deeds. Here is an opportunity where we must be reminded that those good deeds come in small steps. Perhaps, we might not take care of the problems here on Oahu in trying to look for renewables, but we might take a smaller step in those rural communities that could really use these kinds of renewables and demonstrate how it's possible to encourage the entire State of Hawai'i to become a state that's dependant on all its renewables.

"We also have a wonderful phrase that we use in Hawai'i that's called '*malama aina*' or '*malama ka'aina*,' to take care. I think we are charged with all of these responsibilities and those concepts that we accept to be part of Hawai'i. When we look at this particular bill bear in mind those few statements that I give to you. '*Malama ka'aina*,' take care of this land; and '*Ua mau ke ea o ka aina i ka pono*,' that our good deeds, our righteous deeds, can only mean that we will have continued life. I see renewable energy as part of that statement. And I see this bill moving us in that direction. So I ask you to support this bill. Thank you."

Representative Rath then rose to speak in strong support of the measure, stating:

"Mr. Speaker, I believe like many people that we should be more self-reliant in the State of Hawai'i. I'm very supportive of this measure because if we don't set a goal somewhere out there in the future that we can work to achieve, we'll never achieve it. But I'm very doubtful that this type of bill will pass, especially after hearing the power companies come in and testify. So I imagine we'll approach like we do everything else. That we will wait till our educational system is dead last before we hire Paul LeMahieu. We wait till we're in the tenth year of a recession before we consider civil service reform or cutting benefits. So I guess now we just wait till the lights go out. Thank you, Mr. Speaker."

Representative Morita then rose to speak in rebuttal, stating:

"Just a couple of points. We need to consider do we owe an obligation to utility shareholders or do we owe an obligation to the ratepayers. In order to move forward, we need to show a commitment to ratepayers who are shouldering the burden of these additional costs.

"This bill, as the Representative from Kona mentioned, will set goals. It will set a direction, and that's what we need right now. We need to show leadership in this area. There was some talk of leakage. The economic costs to this State. Shark finning isn't going to put a real dent into the economy of the State. This kind of direction can stop the leakage that's happening right now in our State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1883, HD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY RESOURCES," passed Third Reading by a vote of 45 ayes to 5 noes, with Representatives Kanoho, Meyer, Nakasone, Souki and Yamane voting no and Representative Okamura being excused.

At 2:43 o'clock p.m., Representative Meyer asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 2:44 o'clock p.m.

The Chair directed the Clerk to note that H.B. Nos. 2789, 1777, 1884, 2906, 1875, 2741, 2511, 1864 and 1883 had passed Third Reading at 2:45 o'clock p.m.

Stand. Com. Rep. No. 791-00 and H.B. No. 1977, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1977, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Meyer rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I want to commend the Chairman of CPC for the way he amended the bill. The purpose of this bill, as originally drafted, was to create an exception to the gasoline retail divorcement law by allowing a manufacturer or jobber to operate a former dealer operated retail service station, where the current or new dealer is in agreement with such an operation and has a contract interest in the operation.

"The theory behind the original divorcement law was that it would help 'mom and pop' stations stay competitive. It failed in that regard because federal EPA regulations were the real costly culprit. We further amended the divorcement law to protect gasoline dealers from perceived unfair competition from oil company owned and operated stations.

"This year gasoline dealers who previously supported the divorcement law stated that it was actually hurting them and testified in support of the original House Bill 1977. I have never supported the divorcement law. This bill, as originally

drafted, would have solved a great many problems. The way it's been amended in CPC, it helps a very narrow group of people. I'd rather see it passed as it was originally introduced, but it's still early in the process. And so that's why I'm voting in favor, but with reservations. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1977, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GASOLINE DEALERS," passed Third Reading by a vote of 47 ayes to 1 no, with Representative Halford voting no and Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 792-00 and H.B. No. 2279, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2279, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE PROFESSIONALS," passed Third Reading by a vote of 46 ayes to 2 noes, with Representatives Rath and Whalen voting no and Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 793-00 and H.B. No. 2554, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2554, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 794-00 and H.B. No. 2582, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2582, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I really appreciate the Chair of CPC removing the Lieutenant Governor's name from the bill. Unfortunately, the SWAT team is still left in, which politicizes that bill. I would like to congratulate the Majority Caucus on its caucus bill on the previous page, the appeal of administrative rules, where you didn't give credit to a political entity, but you just dealt with the subject matter at hand.

"I hope that this bill on which I am speaking to right now will have its purpose clause corrected and we swat out the SWAT team language as it moves forward. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2582, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE RULES," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 795-00 and H.B. No. 2583, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2583, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kaho'ohalahala's remarks are as follows:

"Mr. Speaker, as a proponent of increasing public access to our government institutions, I rise to speak in support for this

bill. In a time when some segments in our society may feel disconnected with its public officials, this bill serves to empower and encourage our citizens to become more actively involved in the function of its government by lessening the requirements for commissions to hold videoconference meetings. In addition, videoconferencing reduces the cost to operate our government while not diminishing the public right to participate in board or commission proceedings.

"Accordingly, increased public access in the form of videoconferencing strengthens our democracy and enables government entities to become more cognizant and thus more able to serve the needs of society as a whole."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2583, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OPEN MEETINGS," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 796-00 and H.B. No. 2999, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2999, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Abinsay then rose to speak in support of the measure, stating:

"Mr. Speaker, I rise to speak in favor of HB 2999, HD 2, Standing Committee Report 796-00, Relating to the Right to Farm.

"The purpose of this bill, Mr. Speaker, colleagues, is to enhance the Hawai'i Right to Farm Act - to protect farmers from frivolous lawsuits based on allegations that agricultural operations constitute a nuisance, especially in light of the encroachment of non-agricultural developments into areas that were previously restricted for agricultural use.

"With the steady increase of urbanization in many communities, many farmers have been put at risk with regard to legal liabilities which arise due to noise, dust, odor, pests and other nuisances associated with raising crops or livestock.

"Mr. Speaker and members, the farming community needs us, as policy-makers and our support in seeking to put out a strong right to farm law that protects and supports their right to operate so long as they operate in a manner consistent with generally accepted agricultural practices. With this law clearly established, a farmer then would be assured that he could sustain his operation without fear of harassment law suits or any other actions against him or his operation.

"Mr. Speaker, House Bill 2999 as amended, rewrites the Hawai'i Right to Farm Law and strengthens it to put a balance between the interests of both the farming community and its urban neighbors. For this reason, I strongly urge your support for its passage. Thank You!"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2999, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RIGHT TO FARM," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 797-00 and H.B. No. 1804, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1804, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FALSE CLAIMS," passed Third Reading by a vote of 48 ayes, with

Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 798-00 and H.B. No. 1935, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1935, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to speak in support of the measure with reservations, stating:

"I support the bill. It seems fair enough. My concern is with the definition of 'independent bill reviewer.' I'm just concerned if that would have to be expanded or if adjusters and public adjuster would be considered part of independent bill reviewers. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1935, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 39 ayes to 9 noes, with Representatives Fox, Halford, Marumoto, McDermott, Meyer, Moses, Pendleton, Rath and Whalen voting no and Representatives Cachola, Kahikina and Okamura being excused.

Stand. Com. Rep. No. 799-00 and H.B. No. 1956, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1956, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS," passed Third Reading by a vote of 48 ayes, with Representatives Cachola, Kahikina and Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 1977, 2279, 2554, 2582, 2583, 2999, 1804, 1935 and 1956 had passed Third Reading at 2:52 o'clock p.m.

Stand. Com. Rep. No. 800-00 and H.B. No. 1998, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1998, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kawakami rose to speak in support of the measure, stating:

"Within the next ten years, 30 percent of the State's agricultural leases will expire. Article XI of the State Constitution mandates that the State shall conserve and protect agricultural lands, promote diversified agriculture, increase agricultural self-sufficiency, and assure the availability of agriculturally suitable lands.

"First, Mr. Speaker, we should recognize that agricultural leases and commercial leases differ in that 'highest and best use' does not always make sense concerning agriculture. Considerations other than economics may need to be considered. And although this issue will not be resolved by this bill, it is at least a starting point for discussion.

"Present practices require that these agricultural leases will go to public auction with the leasehold being sold to the highest bidder. The small farmer has no recourse to extend the lease unless he tenders the winning bid. This creates uncertainty and an inability to finance improvements to the land.

"Mr. Speaker and colleagues, I believe that the State's policy in this regard should be to encourage good stewardship of our precious State lands. I believe that we should promote diversified agriculture. I believe that we should help the small farmer. I do believe in preserving a rural way of life based on a mutual long-term commitment between our State and the

farmer-lessee. If a farmer is willing to dedicate resources to making the land as productive as it can be with a marketable crop, then the State should do its part to ensure this relationship is cultivated and preserved.

"We should rethink this philosophy of highest and best use. Even if the State receives less in lease payments, the benefits from a committed tenant taking care of his parcel far outweigh higher lease revenues at the expense of reduced infrastructure improvements. Therefore, we must remember that even though the State allocates no monies towards such improvements, we still need to encourage their installation. Extending current and expired leases is one such way. Thank you, Mr. Speaker."

Representative Goodenow then rose to speak in support of the measure, stating:

"Every session there are surprises, but this one has certainly been one of the nicest. I'd like to really commend the Vice-Chair of Finance for really taking this issue that is a very big issue in my community and addressing it in this measure. And I'd like to just publicly thank her. Thank you."

Representative Abinsay then rose in support of the measure and asked that his comments be inserted into the Journal and asked that the remarks of Representative Kawakami be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Abinsay's remarks are as follows:

"Mr. Speaker, I rise to speak in strong support for H.B. No. 1998, HD 2, Standing Committee Report No. 800-00 - Relating to Agricultural Leases Provisions.

"Mr. Speaker and colleagues, this bill raises public policy issues concerning how public lands should be managed and made available for lease to the public for agricultural purposes.

"The state's agricultural leasing program was developed several decades ago. Today, many of the original leases are nearing term and so therefore, there is a definite need to revisit or reassess the goals and objectives of this program. According to the Department of Agriculture, the Department now has a total of 230 agricultural leases, one of which is expiring this year and others are in different stages of disposition. In the Department of Land and Natural Resources, there is a total of 249 leases statewide - 78 of these will expire in 10 years.

"In Hawai'i, unlike most other states in the mainland, most farmers do not own the land that they farm on. Consequently, their operation and livelihood are totally dependent on state land leases. So, what incentives are there for farmers to operate a sustainable system and improve the land and the property when he is uncertain about the status of his land? This is a very valid concern and a risky one for the farmers.

"This bill, Mr. Speaker, has been drafted and re-drafted with amendments in our efforts to improve the language. I sincerely believe that it is a balanced approach to fixing a system and provide successful farmers and ranchers the opportunity and incentives to continue to stay and operate their business, and truly promote and encourage diversified agriculture.

"And in light of the overall value of each parcel and operation, and its contribution to the state's economy, I strongly believe that it is time that we reconsider and reevaluate procedures on the state's future leases. For these reasons, I urge that this body support passage of HB1998 HD2. Thank you."

Representative Whalen then rose to speak in support of the measure with reservations, stating:

"I agree whole heartedly with the Representative from Kauai who spoke about the importance of agriculture. However, I

don't think that we can just overlook our responsibility as stewards of the land to accept whatever lease payment we get for the land that's possible. That's why in the Agricultural Committee we discussed this heavily, and amended the bill to give the current leaseholder the right of first refusal to meet the price if another farmer comes in and bids on the property. Because the idea is we want to have farmers working the land, but at the same time if one farmer is inefficient or is not very productive and can only make 'x' amount of dollars, but another farmer can come in and have a much more productive farm, then certainly the citizens of Hawai'i should not be subsidizing a poor farmer's way of life, if a more productive farmer can go in there and do the job better.

"That's why we have the right of first refusal so that the current farmer would be able to sit back, weigh the options and accept this auction price if they felt that they could meet it. That way we would accomplish both goals. The land stays in farming. We're becoming more self-reliant, with diversified agriculture by produce grown here in the State, at the same time, our responsibility to the ceded lands trust to obtain as much of a return on it as possible is achieved as well.

"My reservations arise from the insertion of the original language that basically allows the current farmer to get a brand new long-term lease without it going to public auction. Because, again, the concept goes back to our responsibilities and essence as trustees that if a different farmer can keep the land in agriculture, have a more productive farm, then we should not be saying no. We want to subsidize this long-term guy over here, even though he's ineffective or she doesn't know how to farm and doesn't do a very good job and can't make the same amount of money as a new farmer, we still want to keep the original person there. Because I think that we are shirking our prior responsibilities.

"So my concern arises not from the language that came out of the Agriculture Committee, but the original language that was inserted again that kind of prioritizes the current resident farmer over anyone else despite these other factors. Thank you."

Representative Marumoto then rose to speak in opposition to the measure, stating:

"My opposition goes to the clause that allows a farmer to use the appraised value and the value of infrastructure improvements installed by him or her and that are directly related to the agriculture operation be credited toward the lessee's annual lease rent. This may allow him to get away almost rent free. The Department of Land and Natural Resources was in opposition to this bill. So that is the reason for my no vote. Thank you."

Representative Suzuki then rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. My reservations concern the fair market value credited to the farmer. This is double counting of the value of the improvements. The farmer has credit at the time he put in the improvements by way of his depreciation and actual use of that improvement over his lease term and it could be up to 55 years of use. That's the maximum term of any first lease. So I think we need to look at this further as the bill moves along and find out what's equitable and fair, not only to that farmer, but to the fiduciaries we're responsible to, being fiduciaries to the rest of the people of the State. Thank you."

Representative Yamane then rose to speak in support of the measure with reservations, stating:

"On the same bill, Mr. Speaker, if the Clerk can enter a 'with reservations.' I have some concerns about the bill, but I'm very sure that the Representative from Kauai will work it out by the end of session. Thank you," and the Chair "so ordered."

Representative Goodenow then rose to speak in rebuttal, stating:

"Thank you. I'll be the first to admit that there is more work that needs to be done as this bill progresses, but I cannot emphasize enough how important this bill is at a real practical level. For those of you that have not had dealings with DLNR leases, maybe you don't have farmers in your districts, I hope that you can appreciate from some of the Neighbor Islanders and people like myself, some of the serious problems that take place in the leasing of these lands.

"You have situations where you're going from month-to-month revocable to long-term that causes the land to be reappraised, and yet someone who put in some kind of improvement only a month before and now they're going to recalculate and use that against you. Maybe you can't pay, so you're forced to go to auction. There are a lot of situations that need to be really looked at. That's why I'm really thankful that we have this bill to move the dialog forward. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1998, HD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE LEASES," passed Third Reading by a vote of 46 ayes to 3 noes, with Representatives Luke, Marumoto and Schatz voting no and Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 801-00 and H.B. No. 2023, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2023, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Abinsay rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Abinsay's remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 2023, HD 2 - Standing Committee Report No. 801-00 Relating to Agricultural Infrastructure Improvement Tax Credit.

"Mr. Speaker and members of the House, the purpose of this bill is to provide a tax credit on the cost of improvements or repair over \$20,000 to agricultural infrastructure.

"The phasing out of sugar and pineapple operations in Hawai'i clearly presents an opportunity for expanding diversified agriculture. These former plantations have valuable infrastructure support systems such as roads, irrigation ditches and drainage systems. This measure would give incentives for private investments to preserve and maintain these important agricultural infrastructures, which we do find to be more and more at risk each year as fewer companies are able to afford and manage to maintain without financial difficulty.

"Mr. Speaker and members, I urge all of you to support this measure because maintenance of these agricultural assets will serve Hawai'i's agricultural industry good by preserving existing infrastructure. Thank you!"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2023, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL INFRASTRUCTURE," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 802-00 and H.B. No. 2532, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2532, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HEALTH

SYSTEMS CORPORATION," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 803-00 and H.B. No. 2721, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2721, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Morita rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Morita's remarks are as follows:

"Mr. Speaker, I rise in strong support of Standing Committee Report No. 803-00, House Bill No. 2721, HD 2, relating to Department of Transportation adopting new roadway design guidelines. This bill will help maintain the special qualities of our rural communities while maintaining roadway safety and efficiency. Too many times the uniqueness of our rural communities have been 'spoiled' by over built systems that are actually designed for high speed, highly used roadways and do not blend in to the surrounding environment.

"When Congress passed the Intermodal Surface Transportation Efficiency Act (ISTEA) in 1991, it recognized the importance of good design that is sensitive to its surrounding environment, especially historic and scenic areas. Aesthetic, scenic, historic and cultural and natural resources of an area are important factors that create a sense of place and provide communities with an identity. Section 1016(a) of ISTEA states:

If a proposed project involves a historic facility or is located in an area of historic or scenic value, the Secretary may approve the project if the project is designed to standards that allow for preservation of such historic or scenic value and such project is designed with mitigation measures to allow preservation of such value and ensure safe use of the facility.

"In 1995, Congress strengthened this position in the National Highway System Act in section 304 that states:

A design for new construction, reconstruction, resurfacing, restoration, or rehabilitation of a highway on the National Highway System (other than a highway also on the Interstate System) may take into account, in addition to safety, durability and economy of maintenance:

- (1) the constructed and natural environment of the area;
- (2) the environmental, scenic, aesthetic, historic, community and preservation impacts of the activity; and
- (3) access for other modes of transportation.

"By passage of the federal act, Congress gave the states the flexibility to develop and apply criteria they deem appropriate for federal aid projects not on the National Highway System.' We now have 'a federal policy framework that encourages creativity and sensitivity, while achieving safety and efficiency. This policy framework recommends early identification of critical project issues, and encourages thorough consideration of community concerns and input prior to major decision which can severely limit all other options.'

"This body has taken the first step to implement this policy on the state and county level.

"Organizations such as the Alliance for the Heritage of East Maui, the Hanalei Road Committee on Kauai and the Hamakua-Honokaa Corridor on the Big Island, are exploring and supporting concepts such as a Scenic Byway or Heritage Corridor program.' These types of programs allow for flexibility with standards adopted by the State's Department of Transportation or provide for the development of alternative standards to meet community concerns with regard to natural, cultural, historic and scenic resources.

"The easy way would be to point to the 'Green Book' and follow the standards. The real challenge is to come up with creative solutions that will truly benefit our rural communities. It appears that the Department of Transportation will be taking up this challenge with their support of this bill. It took over twenty years to win the preservation and protection of the Hanalei Bridge. There was community determination and a way to maneuver through a maze of bureaucratic resistance. With this federal policy, this piece of legislation and community participation a new kind of partnership has been formed. As one Hanalei resident remarked, 'when you come over the bridge into Hanalei it's not change your speed, it's change your attitude.' I truly appreciate the Department of Transportation's support of this important legislation for the benefit of our rural communities."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2721, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 804-00 and H.B. No. 2768, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2768, HD 1, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 805-00 and H.B. No. 2793, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2793, HD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 806-00 and H.B. No. 2959, HD 3:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2959, HD 3, pass Third Reading, seconded by Representative Yonamine.

Representative Leong rose in support of the measure with reservations and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Leong's remarks are as follows:

"Mr. Speaker, I rise to speak with reservations on HB 2959 HD 3. The purpose of this bill is good but I have reservations regarding any appropriations by the Legislature into a fund for the industry. I am referring to page 4 line 21 of the bill. There are other current pressing needs in our State for our schools and health programs that need our support first. How can we justify appropriating more money for filmmakers when we can not meet basic community needs?

"I have reservations regarding new positions created and paid for by the special fund created in this legislation. What if the TAT revenues do not exceed \$60,000,000 that is earmarked to be deposited in the special fund? There are other costs to consider, reimbursements for board members for expenses,

including travel expenses, necessary for the performance of their duties.

"I also have reservations with undetermined percentages on loan paybacks. These amounts should be in the current legislation.

"With all the incentives that were initially given to Baywatch Hawai'i, and now their need for further assistance, do we know if they will be able to come up with a certificate of deposit for a loan to further pay for their productions here in Hawai'i?"

"Is this a sound investment? Thank you, mr. speaker."

Representative Fox then rose to speak in opposition to the measure, stating:

"Mr. Speaker, over the course of the last decade plus, we've done a great deal for the film industry in Hawai'i. We built an absolutely brand spanking new film studio. Then we expanded that into a film complex with an extra studio and additional offices. Furthermore, we provided a tax rebate for production use expenses at hotels and related visitor expenses for film projects in Hawai'i. Then last year we dropped millions of dollars into the lap of Baywatch in order to bring it to Hawai'i for one season.

"What I find particularly objectionable to House Draft 3 is that the job of the Hawai'i Tourism Authority, which this Legislature created a couple of years ago, is to get politics out of the business of deciding decisions on how to do marketing and to make decisions on irrational basis about how best to spend the money that comes from the transient accommodations tax to promote Hawai'i.

"This bill requires the Hawai'i Tourism Authority to spend all the money that's collected, over \$60 million, for one purpose and that's to promote film production. Now, this also does violate the basic principle of using the transient accommodations tax to promote tourism because it takes money away from the counties and away from the other uses of the Hawai'i Tourism Authority and, therefore penalizes them if they do well. If the Hawai'i Tourism Authority brings new business to Hawai'i it should realize the gains of the transient accommodations tax if it surpasses \$60 million. If the counties do their efforts to promote tourism by providing good support services and maybe additional promotion, they also should realize the gains of that effort.

"So I find that this comes exactly opposite to the direction we wanted to go two years ago when we created the Tourism Authority, and I find this House Draft 3 particularly objectionable for those reasons. Thank you, Mr. Speaker."

Representative Meyer then rose to speak in opposition to the measure, stating:

"In reading Section 1 of the bill, it states that 'Hawai'i's film and television industry has experienced double-digit growth. It is a \$100,000,000 per year industry in terms of production expenses, and contributes \$15,000,000 per year in state tax revenues. Within the next five to ten years, there is the potential for film and television in Hawai'i to grow to a \$300,000,000.' I think it's clear what we've been doing up to now has been working very well. The industry is growing.

"As the Representative from Waikiki has stated, the State has supported the industry by building the infrastructure there at Diamond Head with the studios. I think we could just gut this entire bill and if you want to encourage more business here, simply increase this tax credit from four percent to eight percent. Never mind building this new dynasty of a film board. I think that the people that have been working to assist the State on the various islands, the film offices, have been doing a very laudable job and I don't think we should turn this into another

bureaucracy. For that reason, I'm voting no on this measure. Thank you, Mr. Speaker."

Representative Takai then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. First of all, I'd like to thank my colleagues for their patience and support on this measure. It's not fixed yet, as a matter of fact, we've got a long way to go with it. But I'll tell you something, if we want to diversify our economy and look at other things instead of tourism and military spending, we're going to have to look at the entertainment industry as a viable alternative to what we have right now.

"As the Representative prior to me mentioned, this industry is growing in the State of Hawai'i. As a matter of fact, it generates \$15 million now in tax revenues. I don't see a reason why this industry could balloon into a \$1 billion industry for the State, thereby, generating \$150 million in tax revenues.

"Across the Nation, this industry represents about \$30 billion. Of which, \$28 billion comes from the State of California. Just a few years ago, Canada got into the business of supporting the film industry, and took specifically from California, about \$3 billion worth of the business. We have a marketable locale. We do have our assets. We've done well in the past, but I think what we want to do is provide this industry with some additional tools so we can move forward and improve and increase the revenues, especially tax revenues coming from this industry.

"All that I ask my colleagues is to continue to support the efforts of the film industry and support me as we walk through this process in developing something that we can be proud of. I'd like to also add my mahalos to City Bank and their targeted industry growth report for doing such an outstanding job in educating me as well other people regarding the benefits of this industry. Like I mentioned, we have a long way to go, but what we want to do is provide the tools necessary to move this industry forward. I think this is the vehicle to do it. This is the only vehicle that we have alive right now. And I ask for your support. Thank you very much."

Representative Souki then rose to speak in support of the measure with reservations, stating:

"Thank you very much, Mr. Speaker. If I could beg the indulgence of the Floor Leader if he could change my vote from opposition and I will be speaking with reservations for the bill. And for that we can thank the Chairman of the Culture and the Arts who made a very good point that the bill has some ways to go. With that in mind, I would want to speak on some of the problems that the bill has, and hopefully, as it moves along it can be remedied, Mr. Speaker and members.

"As the good Representative from Waikiki has mentioned -- and by the way, I wish to have his speech incorporated as if it were my own please," and the Chair "so ordered." (By reference only.)

"The Committee is using the HTA in the wrong way. It was always the intent of this body here when we passed the measure to allow the Hawai'i Tourism Authority to have autonomy and to be responsible for all tourism marketing in the State. Now I believe that if the film industry needs assistance in marketing, then it should go like anyone else to the HTA and make an appeal, a request, for marketing money so that they can market the film industry more effectively. I'd also like to make note that there was another bill, which we passed a little while back, on this high technology that also is looking into the HTA funds. I believe that is also wrong.

"Again, they can have the opportunity like everyone else to go to the members of HTA and submit a request for marketing funds. But this should in no way say that I am opposed to the

film industry. I believe that it is a budding industry with a big future for the State of Hawai'i. And I'm certainly in support of the industry. Thank you very much."

Representative Yamane then rose to speak in support of the measure with reservations, stating:

"My concern is if the industry has been doing so well at four percent then I see a concern with increasing it to eight percent because there are many other industries that would be very happy with just the four percent. Thank you, Mr. Speaker."

Representative Pendleton then rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. If the concerns that were expressed by the Representative from Waikiki and the Speaker Emeritus are, in fact, addressed at some later stage, then I'll be happy to change my vote. But at the present time, the bill is problematic. I support the Hawai'i television and film industry. It's just that I don't think this bill is addressing that issue appropriately. So at this time, I have to vote no.

"I would also like the remarks of the Speaker Emeritus as well as the gentleman from Waikiki inserted into the Journal as though they were my own," and the Chair "so ordered." (By reference only.)

Representative Goodenow then rose in support of the measure with reservations and asked that the remarks of Speaker Emeritus Souki be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Ahu Isa then rose in opposition to the measure and asked that the remarks of Speaker Emeritus Souki be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2959, HD 3, entitled: "A BILL FOR AN ACT RELATING TO THE ENTERTAINMENT INDUSTRY," passed Third Reading by a vote of 34 ayes to 15 noes, with Representatives Ahu Isa, Auwae, Catalani, Chang, Halford, Herkes, Luke, Marumoto, Meyer, Morita, Moses, Pendleton, Schatz, Thielen and Whalen voting no and Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 807-00 and H.B. No. 540, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 540, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker, and good afternoon. Just a couple of quick points because you and the members may not realize how important this bill is. Two major provisions, one is it will provide health care, access to health care, to permanent legal immigrants. I think for a state like Hawai'i, who is rich in immigrant history, it's so important that we set a good example to the rest of the states.

"Maybe more important, this bill will also allow us to provide health insurance under the State's Children's Health Insurance Program and increase the eligibility to 300 percent of federal poverty levels. Basically, what this will do is it will probably allow for universal access to health care for all children in the State of Hawai'i. That in combination with our Prepaid Health Act.

"The real beauty is that the federal government will pick up 65 percent of the cost of raising it to 300 percent. So it's a real win-win situation. I think we will all be proud to say that we're

one of the only states or maybe the only state that can claim that all our children have access to health care. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 540, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

Stand. Com. Rep. No. 808-00 and H.B. No. 1275, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1275, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOSPITAL VIOLENCE," passed Third Reading by a vote of 49 ayes, with Representatives Fox and Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 1998, 2023, 2532, 2721, 2768, 2793, 2959, 540 and 1275 had passed Third Reading at 3:17 o'clock p.m.

Stand. Com. Rep. No. 809-00 and H.B. No. 1902, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1902, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE WATER CODE," passed Third Reading by a vote of 48 ayes, with Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 810-00 and H.B. No. 1917:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1917, pass Third Reading, seconded by Representative Yonamine.

Representative Stegmaier rose in support of the measure and asked that his comments "in support with an encouragement that we even extend this school health measure further" be inserted into the Journal, and the Chair "so ordered."

Representative Stegmaier's remarks are as follows:

"I believe that there is great potential with this bill for establishing truly caring communities at our public secondary schools.

"We need to watch against too much of a clinical approach, in which people get the idea that it is only the 'professionals' who can handle the problems that individual students have. That's why I suggest amending the bill to have these school-based health centers operate within the context of the Comprehensive Student Support System (CSSS) which has been promoted by the State Superintendent and has been endorsed by the Federal District Court as one aspect of the Felix-Cayetano Consent Decree.

"Because this bill would be an excellent vehicle for the further development of CSSS, I am very supportive of this measure, Mr. Speaker."

Representative Arakaki rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Arakaki's remarks are as follows:

"Mr. Speaker, it is a privilege for me to speak in support of HB 1917. Since no amendments have been made to this bill, I can only hope that the idea of a comprehensive, school-based health system is finally and firmly endorsed by this legislature.

"Two thousand years ago, the Greeks lived the ideal of 'a healthy mind in a healthy body.' Like so many of their life

principles, this ideal applied to both the individual and to the body politic. They recognized and supported that the vitality and power of a society is founded on and drawn from the vigor and strength of its citizens.

"Although this ideal is still more of a vision than a reality, this bill will create a pilot project and form a joint planning commission to fully implement this approach throughout all our schools.

"We have spent millions as a state meeting the Felix consent decree. Certainly our more limited funding and policy commitment to the spectrum of Good Beginnings Alliance, the Children's Trust Fund and this school-based health initiative will ultimately make Felix unnecessary.

"That is my hope, and why I urge my colleagues to support this bill. Thank you, Mr. Speaker."

Representative Kahikina rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I strongly support HB 1917. The purpose of this bill is to establish a comprehensive school health system that promotes the healthy development of all students in keeping up the success in complying with the Felix vs Cayetano consent decree."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1917, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL HEALTH," passed Third Reading by a vote of 48 ayes, with Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 811-00 and H.B. No. 2092:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2092, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 48 ayes, with Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 812-00 and H.B. No. 2171, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2171, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Herkes rose to speak in opposition to the measure, stating:

"I'm not sure what's the impact on hotel catering crews. I'd hate to see an entire catering crew have to stop half way through a function to take a half an hour break. Thank you."

Representative Goodenow rose in support of the measure with reservations and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Goodenow's remarks are as follows:

"I am in support of HB 2171, but with reservations. I am not opposed, of course, to the concept of being sure that employees have adequate time for meals. I am also not opposed to breast-feeding at the workplace. My only concern is that in limiting employer and employee flexibility, we may inadvertently create more problems than we can solve. The Society of Human Resource Management, Hawai'i Chapter, testified that passage of this bill might even result in preventing a mother from breast-feeding for five consecutive hours. I also wonder about any record keeping obligations that may arise from this

measure. I look forward to the dialogue as this bill moves ahead."

Representative Rath then rose in opposition to the measure and asked that the remarks of Representative Herkes be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Yoshinaga then rose to speak in support of the measure, stating:

"Thank you very much. Just to clarify for the members that this bill would not stop banquet catering operations. The bill specifically was a work product with labor lawyers on both sides in terms of what is fair for employees to work for a minimum of six hours before requiring a break. Basically, what this bill does, it does not add any costs to employers because at the hearing most employers, frankly, stated that they already have such provisions for breaks, such as McDonald's. So the bill specifically provides that where collective bargaining agreements or company policy provides expressed provision preferred breaks, this mandatory minimum would not apply to such employers. So frankly, employers can opt out based on their own needs for their workforce operations. Thank you very much."

Representative Souki then rose to speak in support of the measure with reservations, stating:

"I was going to vote no on this, but because the great Chairwoman there tried to explain, as best as she could. I do have some reservations though, Mr. Speaker. I believe that if we're going to push this bill on and ultimately pass this bill, it may develop the same reputation as the 'nap bill.' And Madame Chair, I think we should look seriously at this bill as it moves along. Thank you very much."

Representative Kanoho then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

Representative Herkes then rose and stated:

"In the digest it exempts employees in health, transportation, and the public safety sector. I don't see any other exemptions. I do note that the Hawai'i Hotel Association is in opposition. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2171, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEAL BREAKS," passed Third Reading by a vote of 29 ayes to 19 noes, with Representatives Ahu Isa, Chang, Espero, Fox, Herkes, Ito, Luke, Marumoto, Meyer, Morihara, Moses, Pendleton, Rath, Schatz, Suzuki, Takai, Thielen, Whalen and Yonamine voting no and Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 813-00 and H.B. No. 2183, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2183, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES," passed Third Reading by a vote of 48 ayes, with Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 814-00 and H.B. No. 2367, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2367, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Arakaki rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Arakaki's remarks are as follows:

"I stand to speak in support of HB 2367, a measure that offers a 'bridge to hope' for the many public assistance recipients who are hoping to make the transition from welfare to work, from dependence to personal and family self-sufficiency.

"Four years ago, the Congress enacted a seismic shift in our national attitudes toward public welfare. In a major move to change 'welfare as we know it,' the government imposed a 5-year, lifetime benefit restriction on receiving federally-funded welfare. By the end of this year, it is estimated that nearly 6,000 individuals and their families will be forever barred from receiving benefits.

"For those who will never make this transition, it will soon become our responsibility as a state to assure that they are not left totally alone and without some form of support.

"For others, however, there is genuine opportunity to not just get off welfare, but to better their lives through education and employment. This bill seeks to give the needed encouragement and accommodation to make the road easier to travel.

"Once enacted, this bill will formalize an off-set of work requirements with full-time enrollment and meeting course work-study requirements. In addition, it is our hope--an expectation now being discussed by the Department of Human Services and the University of Hawai'i--to develop campus work and counseling opportunities to increase a dovetailing of work and study by location and time.

"This bridge of education and work has provided the means to successfully span other chasms of disadvantage and discrimination. Most of us sitting here have the personal experience of gaining an education because of the sacrifice and commitment of our parents and families.

"Surely, we will help hold that bridge in place for others to cross over. And we do that when we vote for this bill. Thank you."

Representative Kahikina then rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I strongly support HB 2367. The purpose of this bill is to support transition from public assistance to self-sufficiency for public assistance recipients by establishing a post-secondary education benefits program, the Bridge-to-Hope, for heads of households in the Temporary Assistance to Needy Families Program. This bill will help the most needy families in our community."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2367, HD 1, entitled: "A BILL FOR AN ACT RELATING TO POST-SECONDARY EDUCATION," passed Third Reading by a vote of 48 ayes, with Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 815-00 and H.B. No. 2556, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2556, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Marumoto rose to speak in support of the measure with reservations, stating:

"This bill deals with safety inspection frequencies for regulated equipment. I think it is expensive and unnecessary elevator and boiler inspections. But there is a good part to it.

"As originally drafted, this was a very good Administration bill. It would have stopped an H.R.S provision from going into effect on July 1. It would have given the OSHA division of the Department of Labor the flexibility to determine when to inspect boilers, pressure vessels and elevators. It would have increased safety by allowing for more frequent inspections of these types of equipment. It would have given the Department the authority to inspect new, well maintained equipment less frequently than every seven months. It would have saved a \$600,000 increase in the program special fund ceiling. And finally, it would have saved the Department from hiring as many as 11 new inspectors.

"The House Labor and Public Employment Committee and the Finance Committee concurring, went along with half of the original Administration request - to allow more frequent inspections than every 5 months.

"But the Committees rejected the other half and will retain a rigid, inflexible requirement - that inspections be done no less than every 7 months - whether the equipment needs it or not.

"That's why the OSHA testimony states that this impending requirement 'is unnecessary especially for equipment that is well-maintained, new and infrequently used... The building owner or manager who has invested in new equipment, pays for regular maintenance, and/or inspects and cares for the equipment should not be penalized...' The testimony continues, 'the department is unable to provide for more frequent inspections without increasing staff and raising the ceiling on the special fund that pays for the inspection program... Going back to the old ways... means bigger government and greater costs to building owners and the public.' Thank you, Mr. Speaker."

Representative Yoshinaga then rose to speak in support of the measure, stating:

"Just briefly so that the members understand the history of this measure and the funds that were agreed to. The history of this measure started, frankly, with my illustrious predecessor the former Chair of the House Labor Committee. Basically, there was a safety concern. I'll just give you an example of anecdotal information that supports the safety aspect of the intention of this program. A friend of mine was caught in a new building, new elevator and it just stalled. She basically, got injured quite severely when it abruptly fell. That was in a brand new building right down the street, I won't mention the name.

"So, frankly, the impetus of this bill several years ago was to set a standard, a mandated standard, for minimum inspection frequencies based on public safety needs. The agreement at that time was that this fund would be self-supporting in terms of providing that minimum inspection coverage. At our hearing, I believe that our Committee was very interested in providing flexibility for this inspection period. However, there was no evidence to support any change in terms of some of the timetables based on safety requirements. So I disagree with the former speaker on that point, and I do believe that this bill is necessary for a minimum period for inspection. Thank you."

Representative Marumoto then rose to speak in rebuttal, stating:

"Short rebuttal, Mr. Speaker. Yes, it's true that this fund would be self-sufficient and what happens is that the building owners have to pay for these inspections. But when you hire 11 inspectors and they are inspecting every seven months, that is a lot of building owners that will be paying into this fund. If there was a very bad accident, I'm sure that OSHA would go in

and inspect the elevator or equipment more frequently. This bill does allow them to go in as frequently as possible and not every five months. So that is why I'm supporting this with reservations. That aspect of it is very good, but it's the requirement that is rigid and inflexible that says they must have an inspection every six or seven months. Thank you very much."

Representative Goodenow rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Goodenow's remarks are as follows:

"I am in support of HB 2556, but with grave reservations. The Department of Labor is opposed to the bill stating that it will 'require the department to add 11 positions and \$525,000 more per year to the state budget....The costs to building owners and managers will increase from 100 percent to 800 percent for inspections.'"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2556, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SAFETY INSPECTION FREQUENCIES FOR REGULATED EQUIPMENT," passed Third Reading by a vote of 41 ayes to 7 noes, with Representatives Ahu Isa, Chang, Halford, Ito, Leong, Meyer and Whalen voting no and Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 816-00 and H.B. No. 2643, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2643, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ABANDONED MOTOR VEHICLES," passed Third Reading by a vote of 47 ayes to 1 no, with Representative McDermott voting no and Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 817-00 and H.B. No. 1934, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1934, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OPTOMETRY," passed Third Reading by a vote of 45 ayes 3 noes, with Representatives Meyer, Pendleton and Thielen voting no and Representatives Menor, Okamura and Stegmaier being excused.

Stand. Com. Rep. No. 818-00 and H.B. No. 2278, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2278, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to disclose a potential conflict of interest, stating:

"I have a couple of relatives that are social workers, like my son and my wife," and the Chair ruled "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2278, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORKERS," passed Third Reading by a vote of 47 ayes to 1 no, with Representative Herkes voting no and Representatives Menor, Okamura and Stegmaier being excused.

At 3:30 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:31 o'clock p.m.

The Chair directed the Clerk to note that H.B. Nos. 1902, 1917, 2092, 2171, 2183, 2367, 2556, 2643, 1934 and 2278 had passed Third Reading at 3:32 o'clock p.m.

Stand. Com. Rep. No. 819-00 and H.B. No. 2823, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2823, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Goodenow rose to speak in support of the measure with reservations, stating:

"I'm not really sure about the intent of this bill. There does exist a process for an entity wishing to offer transportation services to unrelated entities and persons via the Public Utilities Commission. Perhaps, this is a policy question regarding regulation which, as I've stated earlier, is a subject that deserves further discussion.

"At this point, however, this bill seems to run counter to the transportation policy of the State as specified in HRS 271.1. So I just wanted to express those reservations. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2823, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Fox voting no and Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 820-00 and H.B. No. 319, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 319, HD 2, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL HEALTH SERVICES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 821-00 and H.B. No. 1889, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1889, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Abinsay rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Abinsay's remarks are as follows:

"Mr. speaker, I rise to speak in strong support of HB 1889, HD 2, Standing Committee Report No. 821-00, Relating to Agriculture and Animals.

"Mr. Speaker, members of the House, the purpose of this bill is to reduce the user fee charged by the animal quarantine station by an unspecified percentage of the user rate that existed on January 1, 2000.

"Mr. Speaker, the State Department of Agriculture has been vigilant in continuing to examine advances in basic and applied studies of rabies virus for the purpose of affecting future changes to Hawai'i's quarantine program, but only if such changes can be supported by quality science. In spite of progress in science and technology, however, rabies biology and diagnosis still remain a mystery. In fact, statistics show that rabies in U.S. animals has increased, and has been a particularly important problem on the eastern seaboard and in the State of Texas.

"We believe that prevention of rabies from introduction into Hawai'i is of great importance -- not only as a public and safety issue that affects all the people of Hawai'i, but it also protects

Hawai'i's ecosystem and allows enjoyment of the environment without fear of being exposed to rabies.

"There should be no doubt that we support the goal of keeping Hawai'i rabies-free because the beneficiary of State animal quarantine is the Hawai'ian community which includes the residents who live and work here, as well as the visitors. The State should, therefore, share in the cost of the program, and not just the pet owners who are required by law to use the quarantine facility.

"For this reason, Mr. Speaker and members, I strongly urge your support in passing HB 1889, HD 2. Thank you!"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1889, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE AND ANIMALS," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 822-00 and H.B. No. 2062, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2062, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 823-00 and H.B. No. 2104, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2104, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 824-00 and H.B. No. 2156, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2156, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Arakaki rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I think it's time for a meal break. Sorry, just wanted to see if people are awake or taking a nap.

"Again, this is another, I think, very critical bill in the area of human services. I'd like for you and my colleagues to know that right now we have about 90,000 estimated low-income adults who are in the Medicaid and Quest programs. They have had virtually no access to necessary dental services, since 1996 when they were cut off. This also includes some 30,000 aged, blind and disabled beneficiaries as well.

"I just want to make two major points. Number one, the only available services they have now for dental needs are for what they call emergency services. What many of the dentists have resorted to doing is extracting teeth. They're pulling teeth as a method of treatment. You can imagine how devastating this can be to some of these patients. I guess one of the points I want to make is that people tend to separate the mouth and oral hygiene separate from the body, but our mouth and our teeth are part of our body. If you can imagine if we had some type of health coverage where we say well we're going to cover all of your body except for your feet because we're going to count your feet as a separate part. Imagine what that would do, or your eyes, or your ears.

"The mouth and the teeth are important to the functioning of the body. It has so much to do with people's self-esteem. When you consider a lot of these are people low-income, many

of them are on welfare, they need to find jobs. It's really devastating to have teeth missing. Just imagine, colleagues, if you look at our handsome Speaker up there and he smiled at you and he had some of his front teeth missing, how seriously would take him. If you're an employer, I think the same thing would apply. If you saw someone looking at you, I think you would immediately judge that you wouldn't want that person or hire that person. So it is really devastating not to have these services available.

"It is going to cost money. Not as much as the \$10 million that was needed to restore dental benefits under Quest, but with this stopgap measure we can at least provide dental services. It's especially critical, I think, to the Neighbor Islands and those who are living in rural and underserved areas. I would urge everyone to support this bill and help us find the needed funds so that we can provide the services. Thank you, Mr. Speaker."

Representative Leong then rose to speak in support of the measure, stating:

"When we were in Hana, Maui and heard about all the extractions going on, I had to stand up and give this speech to tell them that teeth are forever. That we shouldn't be losing our teeth. If we have some dental care, if we can just get them checked out and cleaned out and floss and brush every day, we can save the teeth so that we can smile better and be able to eat better also. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2156, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BASIC DENTAL SERVICES FOR ADULTS," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 825-00 and H.B. No. 2469, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2469, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SUBPOENAS ISSUED BY THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 826-00 and H.B. No. 2522, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2522, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ADVANCE HEALTH-CARE DIRECTIVES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

Stand. Com. Rep. No. 827-00 and H.B. No. 2648, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2648, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROBATION," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2823, 319, 1889, 2062, 2104, 2156, 2469, 2522 and 2648 had passed Third Reading at 3:39 o'clock p.m.

At 3:39 o'clock p.m., Representative Hamakawa asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:47 o'clock p.m.

Stand. Com. Rep. No. 828-00 and H.B. No. 2701, HD 3:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2701, HD 3, pass Third Reading, seconded by Representative Yonamine.

Representative Ahu Isa rose to speak in support of the measure with reservations, stating:

"Number one, I'm concerned with the Standing Committee Report, I think there's an error in it. If I remember correctly, the DOE did not support this bill and that they already have a couple projects, demonstration projects, going in their schools. They also told us that to implement this program it would cost approximately \$90 million. I think with the situation our schools are in I think the money can be used in a much better light. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2701, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOLS," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Meyer voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 829-00 and H.B. No. 2743, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2743, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. This bill establishes a land use planning task force. My concern is that it makes an automatic assumption that there is duplication rather than different functions performed by the State and by the county. The other flaw that I see, Mr. Speaker, is that nothing directs the task force or the Legislative Auditor to consider environmental issues as they examine the land use regulatory system. So the environment is totally left out of this bill as it's been damaged by two other bills that have come before us. Thank you."

Representative Cachola then rose to speak in support of the measure, stating:

"This bill, as written, is practically the same bill that we passed last year, which is House Bill 178, HD 2. The only change on this bill is they raised the number of the task force from 11 to 12.

"This bill, Mr. Speaker, is a good bill in the sense that it will look at and study the possibility of resolving the duplication between State and county. What this task force is going to do is to make recommendations as to changes to be made to the land use regulatory system. Also, Mr. Speaker, during our hearing on this bill, one of the recommendations that was made is to include a member of the environmental group. The representatives of the environmental group can give input as to the process and issues relating to the duplication between the State and the county.

"Mr. Speaker, before I close let me also say that this bill provides a 'hammer' in case the State and counties cannot agree on recommendations 20 days before the next legislative session. The Legislative Auditor will be conducting a study on the duplicatory processes between the State and the county, and may come up with recommendations to resolve this issue. I believe this bill is very good, Mr. Speaker, and I urge all members to support this bill. Thank you."

Representative Thielen then rose to speak in rebuttal, stating:

"Thank you, Mr. Speaker, just a short rebuttal. Mr. Speaker, yes the Legislative Auditor comes into place in the event the task force cannot reach an agreement and prepare a report. And yes the task force has a member of the environmental community on it. But once the bill goes to the Legislative Auditor or if it goes to her then there is absolutely no direction to pay any attention to the environmental issues that are so key to all of our land use decisions. There is a big flaw. And I'm hoping that the Senate will have better sense. Thank you."

Representative Cachola then rose to speak in rebuttal, stating:

"Mr. Speaker, short rebuttal. When we were hearing this bill, Mr. Speaker, we found that there is a group looking at the possibility of resolving the duplication between the State and the counties. They've been looking at this problem for over three years. They're always giving lip service. So what I said is, if you are really serious about this matter then we should put a hammer in place to force them to come up with a resolution prior to the legislative session next year.

"When it comes to the recommendations as to members of the environmental group, if I remember right, it was Representative Thielen who made these recommendations and accepted it. And we designated a member of the Thousand Friends as a member of that group. So I cannot understand why she's objecting. Thank you."

Representative Thielen then rose on a "point of personal privilege," stating:

"My point is I was making my objection to the second body the Legislative Auditor, which would not have a member of the environmental community on that. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2743, HD 2, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," passed Third Reading by a vote of 47 ayes to 3 noes, with Representatives Morita, Schatz and Takumi voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 830-00 and H.B. No. 1881, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1881, HD 2, entitled: "A BILL FOR AN ACT RELATING TO USE OF INTOXICANTS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 831-00 and H.B. No. 2087, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2087, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Stegmaier rose to speak in support of the measure, stating:

"It's a very important bill that will provide information about students coming into various schools with information that would be important for the educators to know about problems, criminal and otherwise, that the students have had. Up until now, schools have been totally in the dark about very important information about this crime. And this measure rectifies that situation. I want to thank the Chair and Vice-Chair of the Judiciary Committee for salvaging this bill. Thank you."

Representative Whalen then rose to speak in support of the measure with reservations, stating:

"I'm concerned about the bill's impact. I think whoever drafted this lacked some understanding when it came to our Penal Code. There's a provision in there that makes reckless

behavior a felony. I don't think we have that anywhere except for homicide. And the fact that the intent of the bill is to get the schools and Family Courts to work together, there's a large portion of this bill that focuses totally on penalties for failure to comply with it.

"If I worked in a school, I was a principal or worked in the DOE, I wouldn't touch it with a 'ten foot pole.' Because the civil penalties are severe and like I said there's a felony offense if you recklessly disregard the provisions of the bill. Whatever that means. So like I said, there are some major problems. I brought it up in Committee and I was told don't worry about it, we'll take care of it, but I don't think it's good authorship to pass out a bill that is far awry when it comes to our Penal Code structure. Thank you."

Representative Arakaki then rose to speak in opposition to the measure, stating:

"I'm going to be voting against this bill. I know the Judiciary Committee did make some improvements by establishing some sanctions for those who violate the confidentiality provisions. But I still have some real concerns, basically, because when it comes to juveniles, when it comes to children, there is an obligation to protect their confidentiality. There's a reason why we do that.

"I'm just not convinced that the agencies involved, the Department of Education, Department of Health, Human Services, and the Courts really have a plan in terms of wanting to help these students. I see a lot of fear that's being generated and maybe the fear is because of the increasing number of violent incidents that we've seen in our schools.

"Maybe this is more of a defensive measure, but under the guise of wanting to help and monitor these students, I think we all know what can happen if the confidentiality is broken. And it's not always easy to determine who breaks the confidentiality, but the result to the student I think is devastating. The stigma that's created no matter what the case may be. Especially, in cases involving child abuse because a lot of times they're victims. This may allow them to be victimized once again.

"I just wanted to point out maybe one example. I think we're all aware of the six year old who allegedly shot a classmate on the mainland. We all know where the responsibility lies. There's a reason for that. We hold the parent and the caretaker responsible. But imagine how it's going to be for this child living the rest of his life and childhood known as a murderer if it becomes publicly known. But there's a reason why his identity has been protected. So for these reasons, I'm hoping that we can proceed very carefully on this and be very sensitive to both sides of the issues and not be guided by fear and overreaction. Thank you, Mr. Speaker."

Representative Ito then rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. The purpose of this bill is to: (1) allow access to juvenile records by school officials and persons involved in the treatment and supervision of minors; and (2) requires the Family Court to inform the minor's school district superintendent or chief administrator of the Hawai'i Association of Independent Schools, that the minor has been found to have committed certain felonies or misdemeanors, and allows the information to be disclosed to teachers or administrators responsible for direct supervision or monitoring of the minor.

"Mr. Speaker, there has been mounting support from educators on all levels for allowing school officials to be given information about a minor who has been adjudicated for a crime.

"One of the most important duties of administrators is to provide a safe environment so students can learn. This measure will ensure that these minors adjudicated for a crime will be provided the proper support services and that they will be monitored for the safety of others as well as the safety of the minor being monitored.

"With the increased number of violent crimes committed by minors throughout the states and in Hawai'i, there is this need for schools to be provided with all the information possible so that administrators can make informed decisions on student safety.

"One big concern from the Family Courts is that this measure lacks strong provisions to ensure that information is only made available to people who need to know it. I would like to thank the Judiciary Committee, the Chair and Vice-Chair, for addressing this concern by increasing the penalty for the offense of violating confidentiality by creating a class 'C' felony and by creating civil fines between \$1000-\$10,000. This will at least address the concerns of the family courts and keep this important measure alive for further debate and discussion. Thank you, Mr. Speaker."

Representative Pendleton then rose to speak in support of the measure, stating:

"Mr. Speaker, I first learned of this measure when I attended a district DOE meeting over on the Windward side with Leah Albert, and a principal from a fine public high school in my district, Mary Murakami, Principal of Kailua High School. In speaking with them about this measure, I learned that often people who have had trouble with the law, who have committed felonies or other crimes, are enrolled in schools, but the school teachers and the administrators are not given any 'heads up.'

"The reason why they would want a 'heads up' or a notice of information that these students are enrolled in their schools is two-fold. One, obviously to protect the safety of others, but two, and more important, more key, and this is what Principal Murakami expressed to me was these children are the children who are most likely to drop out. These children who've already had trouble with the law are the most likely to not make it through, not graduate, get in trouble in the future, have problems with other kids, get involved with drugs, et cetera, et cetera.

"So those are the children that they really need to work on, really need to be there to assist, really need to hold their hands and make sure they're making it through the system. Those are the students they need to make sure have a good schedule and not allow a lot of free periods, or aren't hanging around late afterwards, but are involved in activities, in sports, in all kinds of things. So Principal Murakami said if this bill allows them to give that information to the teacher to allow them to then spend extra time, extra effort in making sure that this student moves through the process, he or she has a better chance of success than if they didn't have this information.

"So it's not just a matter of public safety, protecting the other students. It's a matter of being able to get special attention, special care to that student who already goes into the school at a disadvantage, who already has the odds stacked against him or her. So it's not just for public safety that we want to brand a student and treat him bad and release public information. That's not the case. According to the principal, they want to be able to give that student a fighting chance. They need that information. They need more information rather than less. They need it sooner rather than later.

"So for those reasons, I think we ought to give our educators the kind of information they need to be able to give these students a fair shot at success. They've come out of the system, they're in the public schools, they're in the private schools, this bill takes care of those situations as well. We want to give

them as many tools as possible to see them succeed. So for those reasons, Mr. Speaker, I strongly support this legislation."

Representative Whalen then rose to speak in rebuttal, stating:

"It's good to know that your speech has had such a solid impact on the fellow speakers here.

"I don't know how many of you actually practiced in this area of law, but I think there's a misconception here. Besides the fact that the bill does address those children who are victims of child abuse and this has to do only with law violation. About everyone and their cousin is allowed into these hearings. I've been in them for a number of years and you've got every State agency you could possibly think of, and quite frequently, there is someone there from the DOE that is usually someone dealing with attendance or their lack of attending school.

"You've got Department of Health, Human Services. You've got the parole officer, the staff, the Judiciary staff, the prosecutor, public defender. These records are not like some big secret that we need to protect these kids. And the kids go out in the hallway and they tell each other what they've done and what they're in trouble for and what happened to them. It's not like this is some super secretive thing. It is if you're an adult who works in some bureaucracy, but if you wanted to find something out all you have to do is go talk to another kid who knows them and they can tell you all about them.

"So it's not like these kids are -- these are such secretive proceedings that surround them and if someone else finds out it could ruin their lives. That's how you end up catching these kids anyway for committing crimes. They go around bragging to everyone that they did it. So it's not like it's a big secret. So I think the fear and the penalty section and everything else is much too broad and we need to focus in on what we're trying to accomplish, instead of, as I indicated earlier, trying to 'kill a fly with a bazooka.'"

Representative Arakaki then rose to speak in rebuttal, stating:

"If I may be allowed, I just want to respond briefly to the Minority Floor Leader's comments. I really wish I could share his optimism, but I'm a bit of a cynic when it comes to what the school officials want to do or what their motivation is and whether that's what they really want to do. Because all I have to do is look at what has happened with the Felix Consent Decree and the kids who are under their care. I don't think anybody here can say that they've coordinated services for these kids for the benefit of the kids who do have emotional and mental problems.

"So I'm really cynical about the real motivation behind this bill. If they really want to help, I think they have the ability. And like the previous speaker said, they know who these kids are. These kids are already in trouble. They're in special programs, special motivation. And they haven't been able to even prevent these kids from going bad. So I really hope they show a little more sincerity in wanting to use this for the purpose stated. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2087, HD 2, entitled: "A BILL FOR AN ACT RELATING TO JUVENILES," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Arakaki voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 832-00 and H.B. No. 1157, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1157, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Santiago rose to speak in support of the measure, stating:

"Mr. Speaker, thank you very much. This bill had been heard in the Health Committee last year and was passed out of our Committee. We heard poignant, convincing and often times emotional testimony from patients and caregivers that marijuana, indeed, provided significant relief from many of the debilitating effects of cancer chemotherapy, many symptoms of HIV disease, including AIDS wasting syndrome and it provided additional relief from severe pain. Many of the patients submitted anonymous testimony as they were afraid to testify for fear of arrest or job loss.

"Your Committee learned that many of those suffering from extreme pain used marijuana as an effective supplement to their more powerful prescribed pharmaceutical drugs, such as morphine or percodin. Your Committee came to understand that by combining marijuana with such potent prescribed narcotics, many patients can use less of these stronger drugs, thereby allowing them to remain more alert and better able to function, less 'drugged.' I would note that such recently developed cocktails or combinations of drugs is, in fact, the very basis of the current and dramatic life prolonging AIDS treatment regimes.

"In addition, your Committee came to understand that marijuana has fewer side effects since many powerful pharmaceuticals can cause muscle spasms, constipation and great fatigue. Drugs, such as vicadin, have been shown to damage the liver while percodin upsets the stomach. Marijuana or cannabis also has the effect of relaxing the patient and in some cases easing anxiety.

"This is no small matter when we are talking about people with serious, debilitating and oftentimes terminal conditions. The Institute of Medicine report published in 1999, Medical Marijuana Assessing the Science Base, noted: 'for patients, such as those with AIDS, or who are undergoing chemotherapy and who suffer simultaneously from severe pain, nausea and appetite loss, cannabinoid drugs might offer broad spectrum relief not found in any other single medication.'

"While your Committee heard there is enough research on the medicinal effects of marijuana, there are more than 70 modern studies published in peer review journals verifying that it has medical value. In the year since your Committee on Health passed out this bill, there has been a significant amount of new research published on medical use of marijuana. Most important was the Institute of medicine report, I had mentioned, which was commissioned by the drug czar, Barry McCaffery.

"This voluminous report concluded that there is considerable consensus on the usefulness marijuana for certain conditions. Specifically, for pain control, control of nausea and vomiting, appetite stimulation and muscle spasticity. While the authors raised concerns about smoking cannabis as the mode of ingestion, they did conclude that 'there are certain limited circumstances in which we recommend smoking marijuana for medical uses.' I think some of you might remember the report. It was reported in the media earlier this year.

"Your Committee also learned that in 1998, after hearing two years of testimony, the Federal Drug Enforcement Agency's Chief Administrative Law Judge, Francis Young, ruled that marijuana in its natural form is one of the safest therapeutically active substance that's known. Your Committee believes it is disingenuous to claim that marijuana is too dangerous to be used as a medicine when physicians may currently prescribe cocaine, morphine, and even methamphetamine. I'm also concerned about the argument that claims that marijuana is not suitable as a medicine when the federal government itself continues to supply eight patients with a monthly supply of pre-rolled marijuana cigarettes. One of these patients, Robert Randall, was in Hawai'i last December to appear in a panel to help educate our community on this topic.

"While I do not suggest that marijuana is a wonder drug which is better than others, your Committee on Health has concluded that marijuana, under strict conditions, should be made available to patients as a possible treatment especially when other medications do not work. What is also very important is that this bill would break down the current wall of silence that exists between patients who currently use or would like to try marijuana to alleviate their symptoms and their doctors. This bill will protect from arrest both the patient who might find relief with marijuana and the doctor who might want to recommend this use and enable discussion between the doctor and the patient. Protecting the physician, I believe, would also offer greater support from the medical community on this issue.

"Our Committee on Judiciary has narrowly drawn this measure and would only permit patients who meet very specific medical criteria to use marijuana. A physician must provide the patient with written certification and the doctor must have a bona fide relationship with the patient. All other laws against cannabis remain in place. I repeat, all other laws remain in place. Any diversion would be punished and smoking outside of one's home would not be permitted. So let me note here, however, that marijuana permitted under House Bill 1157 need not necessarily be smoked.

"Your Committee learned that many patients find it useful to eat foods or tea prepared from it. But many patients, as you will see, can only consume it in its smokeable form. Many of you are aware that there is a capsule form of THC, the active ingredient in marijuana, which the FDA has approved for treating AIDS wasting syndrome and the nausea and appetite loss caused by cancer chemotherapy. There are some problems associated with the pill, but its approval shows recognition of THC's medicinal usefulness. The capsule, whose brand name is Marinol, is ineffective for severe nausea since the patient cannot keep it down. Some patients, in fact, cannot even get it down. It also takes more than an hour to have its effect, whereas the smokeable form provides relief within ten minutes.

"Some patients also find that Marinol has too strong a psychoactive affect and makes them very anxious. In fact, one patient, a very courageous attorney from Hilo, testified before the Committee that during her chemotherapy for cancer she was able to take a few puffs prior to bedtime in order to find immediate relief. Finally, Marinol is very expensive costing about \$400 per month.

"With regards to the argument that medicinal marijuana is opposed by all major health and medical organizations, I'd like to respond this way. No medical organization stated that seriously ill people should be subject to arrest and imprisonment for using marijuana with a doctor's approval. So the current federal laws are not in step with these organizations' positions. Numerous health and medical organizations and other prominent associations do have favorable medical marijuana positions, including: the American Academy of Family Physicians; the American Public Health Association; the New England Journal of Medicine; the AIDS Action Council; the National Nurses Society on Addictions; Lymphoma Foundation of America; the National Association of People With AIDS; the California and Florida Medical Associations..."

At this time, Representative Say yielded his time to Representative Santiago.

Representative Santiago continued, stating:

"Thank you very much, Mr. Speaker. The California Society of Addiction Medicine; the California Pharmacists Association; the British Medical Association; Consumer Reports Magazine; the Nurses Association of New York, California, Virginia, Mississippi, Colorado and numerous other health and medical groups.

"Many organizations here in Hawai'i also came out to support this legislation: the Hawai'i Nurses Association, representing Hawai'i's 2,500 registered nurses; the AIDS organizations, such as the Governor's Committee on HIV and AIDS; the Life Foundation; the Maui AIDS Foundation; the Big Island AIDS Foundation; Kauai's Malama Pono; the AIDS Community Care Team; and senior organizations, such as Kokua Council have all testified in support. Our own Department of Health has also come out in support of this measure.

"I ask you now to think of your friends, your relatives and those afflicted with cancer and other serious illness. We know that for some of them marijuana can ease their suffering. Our sister states in the West have all approved similar measures, and a poll conducted just last month found that a vast majority of Hawai'i voters support the Legislature taking action on medical marijuana this year.

"In closing, I now ask for your support of this carefully drafted measure to remove the threat of arrest for severely and often terminally ill patients who currently benefit from the medical use of marijuana, and for those in the future, who might use it to alleviate their suffering. Your Committee on Health strongly believes that approving this measure now is the compassionate and right thing to do. We can't continue to wait and wait and wait while some of our loved ones suffer needlessly during the final days of life.

"Mr. Speaker, that was my written prepared remarks and I want to just mention something. There is in no way that this Chairman wants to convey the message that I support recreational use of marijuana in any way. I believe the safeguards are in place. I just wish that most of you could have seen and heard and come into contact with those people who have definitely convince me that what we are doing and the step we are taking is the right thing to do. Thank you, Mr. Speaker."

Representative Stegmaier then rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I have several reasons and I'd like to state that this is my interpretation of House Bill No. 1157, House Draft 2. In my estimation, the bill will reinforce our image as a place which is not focused on sober and serious efforts to improve our competence and our ability to compete in the international marketplace. It will force medical professionals to engage in activity that they wish not to be engaged in. It will get our government into bureaucratic litigation and law enforcement problems that will utilize resources and expend energy and attention that will distract us from the important issues of our society's future.

"Mr. Speaker, my staff contacted the attorney general offices in three states which enacted medical marijuana laws. Two of them, two of the deputy attorney generals that we talked to said that we should expect a variety of problems in implementing this medical marijuana law.

"One major problem with this bill is its vagueness. A qualifying person is allowed to have in his possession an amount not exceeding 'an adequate supply'. Yet an adequate supply is not defined. The medical marijuana law in Washington State has resulted in certain law enforcement offices stating that they will not prosecute individuals who are in possession of less than 250 plants. That is deemed to be a 60 day supply by one prosecutor.

"In California, last November, two medical marijuana activists pleaded guilty to one count of conspiracy to manufacture and distribute marijuana when a judge ruled that they could not use medical necessity as a defense. Mr. Speaker and members, they were arrested with 6,000 plants in their possession found in their Bel Air mansion and three other leased locations.

"Putting aside the matter of the specifics of this bill, I believe based on my interpretation of the testimony that there are other means of reducing intense pain and nausea, including THC in other forms. And I understand that we could debate that matter. But I don't believe that the medical community is unable to handle the kinds of pain and digestive problems that we're talking about here without the use of the marijuana plant and smoking marijuana.

"Another argument that I would make, Mr. Speaker, is that marijuana in any property used in connection with the medical use of marijuana, according to this bill, shall not be subject to searches or seizure. I'd like to point out and I apologize for being disorganized, but I'd like to refer to another section of the bill which I came across just as I was preparing my notes for this speech. I'm confused about the language that says on page 7, that 'marijuana and any property used in connection with the medical use of marijuana shall not be subject to seizure.'

"Mr. Speaker, I'm concerned about what kind of an impact that language would have on law enforcement's ability to distinguish between what might be considered legal and what might be considered illegal. As I said, initially, my contention is that we need to focus on more important matters, including for law enforcement, issues having to do with grave problems with crime in our community, different kinds of drugs, and the problems of use and transportation of those kinds of drugs. And I just don't think that this measure will serve our larger purposes in creating a community that is focused on competence and developing a..."

At this time, Representative Takai yielded his time to Representative Stegmaier.

Representative Stegmaier continued, stating:

"Thank you, Representative Takai. To conclude, I believe that this will be a greater problem for law enforcement than we would want it to be. We're forcing physicians to participate in activities that they don't want to participate in and I think we would be better served by having law enforcement focus on more important issues. For those reasons, I am strongly opposed to this measure. Thank you."

Representative Cachola then rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, may I request for a ruling of a possible conflict of interest. My wife is a member of the Hawai'i Medical Association which is one of the bodies opposing this bill," and the Chair ruled "no conflict."

"I now speak for the measure in support of this bill, but with serious reservations. My wife told me to go down on this bill, but I think it's not really time for us to go down on this bill. Because there are a lot of things, I think, we should explore. But my concern lies by just reading the digest of the bill which says, 'this bill allows for the acquisition, possession, cultivation, distribution, transportation, et cetera of the use of marijuana.'

"My problem lies in the possibility that this bill is overly broad and we might not be able to control it. The law enforcement agencies, the police, I think the Attorney Generals, are saying to us don't pass this bill out, because we might be opening a 'can of worms.' I think we should listen to them and see if there is a way we can tighten this bill to make it better, if there's really a need to use marijuana.

"An additional concern lies on those caregivers, family members, can they be addicted to marijuana smoke? Or if they themselves are smoking it can they be caught? That's where the problem lies. Practical sense dictates that these issues should be taken into consideration in drafting this bill as it

moves through the process. With that, Mr. Speaker, I support this bill, but with serious reservations. Thank you."

Representative Moses then rose to speak in opposition to the measure, stating:

"Thank you, Mr. Speaker. I represent a district which has about 50,000 people in over 10,000 homes. I had one constituent contact me urging me to vote for this measure. I contacted that individual back and said give me some justification, give me some reason why only marijuana could work and nothing else. And that individual did not contact me, Mr. Speaker. So I'm voting no on this measure. Thank you."

Representative Catalani then rose to speak in support of the measure with reservations, stating:

"I appreciate the testimony that was heard at the Health Committee or the subject matter committee regarding this particular measure regarding the end of life issues. I believe it will have, I guess it's been shown that there has been some comfort to patients who have terminal diseases and they have found comfort in this particular drug.

"I am supportive of alternative medication, which I believe this is one of them, but I do have some concerns regarding the wording of the present bill. I hope that as this bill moves forward that it will restrict some of the users and take into consideration some of the issues brought up by the police department. Thank you."

Representative Auwae then rose and asked the Clerk to register a no vote for her, and asked that the remarks of Representative Stegmaier be entered into the Journal as her own, and asked that her comments be inserted into the Journal and the Chair "so ordered." (By reference only.)

Representative Auwae's remarks are as follows:

"Mr. Speaker, I rise to speak in opposition to House Bill 1157, HD2. The legislation proposed by this bill suggests a 'get on the bandwagon' approach to the issue of medical marijuana and ignores facts of the debate that weigh heavily when considering the implications.

"The text of HB 1157, HD2 states on page 1 line 9 that 'federal law makes this a somewhat gray area.' This could rank as the understatement of the legislative session. The Attorney General and Secretary of the Department of Health and Human Services have warned against possible federal sanctions against those who invoked the California or Arizona State medical marijuana laws. The Administration warned that physicians who tried to make use of state laws could lose their DEA license for prescribing controlled substances, be excluded from participating in Medicare/Medicaid programs and be subject to criminal prosecution. This does not have any shade of gray about it.

"Clinically, the National Institute of Health, in a 1997 meeting, found no scientific merit to the use of smoked marijuana for medical use. Indeed, the fact that the drug is to be administered by the carcinogenic process of smoking is one of the more glaring medical contradictions contained in the debate. Additionally, the level of active ingredient, THC, in raw marijuana is widely variable and makes accurate dosages and predictable treatment impossible to gage. Even oral THC, approved and in use since the 1980's, is eclipsed by much more effective medications to combat the side effects of chemotherapy. If marijuana's active ingredient, THC, was deemed by an attending physician to be the drug of choice for a patient's needs it could be safely prescribed in its existing form. There would be no danger of running afoul of federal regulations which would result in a physician's loss of license. Marijuana is a federally scheduled drug and can not be prescribed. Passage of HB 1157, HD2 will not change this fact.

"Issues of control also arise when this bill is scrutinized. The procurement of medical marijuana is not addressed in this legislation and questions arise over its cultivation for medical purposes. Leaving this vital component out of regulation only invites problems. If medical marijuana is approved and non-medical marijuana is not, where is the distinction made? In the growers' patch? At the sellers insistence?"

"Along with the legal and medical contradictions inherent in the attempt to pass this legislation, the ethical attributes of HB 1157, HD2 must be considered. With the judgement against the tobacco companies poised to bring great opportunities in health education to the children of Hawai'i, it is a contradiction of the worst kind to send the message that smoking is a savior.

"Thank you, Mr. Speaker for this opportunity to stand in opposition to medical marijuana, and I encourage my colleagues to vote in opposition to HB 1157 HD2."

Representative Kanoho then rose to speak in support of the measure, stating:

"Mr. Speaker, if I could have a ruling on a possible conflict, I have two sons in the Kauai Police Department," and the Chair ruled "no conflict."

"Thank you, Mr. Speaker. I wish to indicate my support of this measure and thank the Chair of the Health Committee for his very compelling, sincere remarks. This measure does deserve further discussion. Thank you."

Representative Thielen then rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I also would like to thank the Chair of the Health Committee and just note my vote with reservations. Thank you."

Representative Whalen then rose to speak in opposition to the measure, stating:

"Mr. Speaker, despite the eloquent speech that we heard at the outset, I do not believe this bill is narrowly drawn or restrictive in its procedures. In fact, I think it's overly broad and extremely loose in its definitions and what can go on.

"A debilitating condition is anything with severe pain or severe nausea so long as you have a doctor to say so. And the doctor doesn't even have to face anybody if this defense is raised. This would be the only controlled substance -- even if it is legalized, we do have legalized marijuana, the feds authorized it which nobody has addressed at this point, but it still is an issue -- it would still be a controlled substance and under no circumstances do we allow doctors to prescribe controlled substances to patients and have no accountability for what happens. That they can go in and see a judge and walk away and the prosecutor, the police and no law enforcement agent is able to determine who this doctor is. And if indeed, it is legitimate, leaving it only up to the doctor it becomes a matter of a case the prosecutor has to prove.

"Furthermore, the way the bill is written, just by the words alone, we're not talking about just the person who has the medical need for the marijuana, it says distribution. Well if you're distributing the marijuana then obviously you're talking more than, 'I have a medical need, the doctor said so, I'm growing my own and I'm harvesting and rolling whatever,' you're distributing. So in other words, it doesn't say only the person who has the need can grow it, it says anyone can grow it for medical use. How in the world are the police ever going to enforce this? If anyone can claim well I'm growing it for the guy down the street, he's got a medical need, this is for him, leave my plants alone. That's ridiculous.

"What indicates to me that this is basically an effort to legalize marijuana at all cost, on page 7, which was alluded to

by the Representative from Hawai'i Kai it mentions on lines 20 through 22 that 'Marijuana or any property used in connection... shall not be subject to search or seizure.'

"There is nothing in the United States of America that is not subject to search and seizure. We're protected against unreasonable searches and seizures. But this bill would somehow go beyond that and create a right that if you have a certificate of use for medical marijuana, the police aren't even allowed to look into it and be able to seize it. Meaning that they cannot gather any evidence in any sort of case whatsoever. And the way the law should be written is that there is a medical use if you get a doctor's prescription. Fine, cut and dry, let it go, and you take it from there. If somebody gets arrested for marijuana, they come in and they show they've got a prescription. If the prosecutor or the police doubt it, they're able to interview the doctor who prescribed it. We look into the practices or procedures and you go that route. For no other controlled substances do we allow the prescriber to remain anonymous or someone to have absolute protection against recovery of evidence or even looking into the records to see if they have a certificate.

"This bill the way it's written goes far beyond anything we have in the law, and for those reasons, I'm opposed."

Representative Espero then rose to speak in support of the measure with reservations, stating:

"Constituents have called me and said that if this bill progresses forward, what they would like to see are strong controls and guidelines, frequent monitoring of those involved, and strong penalties for people who abuse the program. Thank you."

Representative Halford then rose to speak in opposition to the measure, stating:

"I'm speaking against this bill relating to medical use of marijuana, and I presume it means medical use of smokeable marijuana.

"I think I could be convince to be in favor of this bill if some questions were answered, and perhaps they have been answered, but I'm not aware of them. One question would be, where would the farms be to grow this medicine? Another question I would like to know the answer to is who or where is the market for this medicine? What doses might be prescribed or what would the prescription look like? What quality controls will be in place for this medicine? How would we ascertain the quality of the medicine? And how much would this medicine cost the patients? Finally, would any medical insurance cover this medicine? Thank you."

Representative Leong then rose to speak in opposition to the measure, stating:

"When my children were growing up, I'd always be worried that they would go into smoking or go into marijuana. And they did go into smoking. I used to worry about whether they'd be into marijuana or not because I knew the consequences and what would happen if they did go into marijuana. What was even more shocking was that in my first years of teaching, I had some third graders that were smoking and I'd be very concerned about it and I'd wonder where they were getting cigarettes from and I saw all of them out at recess time and found out they were picking up butts off the road. So I think that as a parent, I'd be very concerned and I just can't support this marijuana. Thank you, Mr. Speaker."

Representative Kaho'ohalahala then rose to speak in support of the measure with reservations, stating:

"I want to just share that this past weekend we had a church service. I witnessed two very old people talking. One happens to be my uncle who is now diagnosed with prostate cancer. He

is very weakened. He has lost a considerable amount of weight. And the other was another old kupuna in the church who went to him and confided and said, 'did you ever consider the use of marijuana.' I thought for the first time that I would never see the day when two kupuna would be talking about the use of marijuana.

"The reason I am voting with reservations is that I think that what this does offer is some other alternative for a person who is actually suffering from a disease that is going to be fatal on cancer. In light of their discussion, I think it has opened my eyes to see that perhaps it is time for us to consider whether or not those people who are really suffering should have a choice. And in that regard, I'd like to support with reservations."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1157, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE MEDICAL USE OF MARIJUANA," passed Third Reading by a vote of 32 ayes to 18 noes, with Representatives Auwae, Halford, Kawakami, Lee, Leong, Marumoto, McDermott, Menor, Meyer, Morihara, Moses, Nakasone, Pendleton, Rath, Stegmaier, Takai, Whalen and Yonamine voting no and Representative Okamura being excused.

Stand. Com. Rep. No. 833-00 and H.B. No. 2212, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2212, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Goodenow rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Goodenow's remarks are as follows:

"I am in strong support of the intent of HB 2212, but more work needs to be done on this measure. I will not go into details, but limiting improvements to the Leo A. Daly Statewide Passenger Cruise Facility Study begs for amendment.

"I am, however, optimistic that this bill will provide the vehicle for one of the most important measures aimed at improving our economy this session."

Representative Kahikina then rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I strongly support HB2212. The purpose of this bill is to transfer certain PSC taxes to the Harbor Special Fund for the improvement of cruise ship facilities. Despite these poor economic times, the industry is showing much promise for our economy and the growth of this industry equates to new jobs for our people and a step forward in the revitalization of the economy."

Representative Meyer then rose in support of the measure and asked that her comments be inserted into the Journal, and Chair "so ordered."

Representative Meyer's remarks are as follows:

"Mr. Speaker, I rise in support of House Bill 2212, HD 1.

"This bill provides a mechanism to improve the State's passenger cruise ship facilities, which are vital to support this growing segment of our travel industry.

"Hawaii's economic health depends on the expansion of this industry. A recent study commissioned by the State Department of Transportation indicated that the cruise ship industry in Hawaii currently carries more than 100,000

passengers annually and that those numbers will increase in 2001 and 2003 to 200,000 and 350,000 respectively.

"The cruise ship industry contributed more than \$300 million to the State's economy in 1998 along with 2,900 jobs. Those figures are expected to increase to over \$1.6 billion and 10,500 jobs by the year 2020.

"Almost all segments of the tourism industry benefit from the cruise industry: retailers, land transportation companies, car rental companies, restaurants, special attractions as well as hotels.

"Data shows that a higher percentage of cruise passengers stay at local hotels before and after their cruise an average of two days.

"A growing cruise business is good business for Hawaii and its economy."

Representative Kaho'ohalahala then rose in support of the measure with reservations and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kaho'ohalahala's remarks are as follows:

"Mr. Speaker, I rise with reservations on this measure. Again I must reiterate my desire to see balance between promoting tourism and promoting needs of our constituents, cultural sites and environment. I would like to see more emphasis on rehabilitation of the small boat harbors and a priority on the protection of cultural and environmental resources. As the Finance Committee notes, the only recommendations authorized by this bill come from a single study designed to consider the needs of cruise ships. There is no recognition of the needs of our constituent fishermen and others who rely on the safety of our small harbors. Such limiting language would be short-sighted. Thank you."

Representative Hiraki then rose to speak in support of the measure and asked that his comments be inserted into the Journal, and the Chair "so ordered."

Representative Hiraki continued, stating:

"Just to note that according to a recent Department of Transportation study, by the year 2020 the cruise industry will contribute \$1.6 billion and generate 10,500 jobs throughout the economy for Hawaii residents. Thank you."

Representative Hiraki's remarks are as follows:

"Mr. Speaker, I rise to speak in favor of HB 2212. This bill proposes a possible solution for the State's inadequate passenger pier facilities.

"The cruise industry has become one of the fastest growing segments of the visitor industry worldwide and Hawaii is reaping the economic benefits of the unanticipated growth of this industry. We will see three new domestic passenger cruise ships in Hawaiian waters starting this December. An increase in the number of foreign cruise ships visiting the State is also anticipated.

"We stand to benefit from an increase in new ship tax revenues and the impact on the many shore-based businesses will be tremendous. According to a recent DOT study, by the year 2020 the cruise industry will contribute \$1.6 billion and generate 10,500 jobs throughout the economy for Hawaii residents.

"However, our existing piers have been primarily designed for cargo operations, and therefore, do not provide facilities and services that are essential and considered to be industry standards for cruise ship operations.

"The increase in the number of vessels being built and wishing to dock here will put additional strain on already inadequate facilities. We cannot afford to allow this to continue. The cruise ship business is an important addition to the visitor industry in Hawai'i and helps diversify our tourism base.

"This bill temporarily allocates a portion of the future public service company tax revenues which are paid by the new domestic passenger vessels to address the most immediate improvements needed to passenger port facilities on the islands of Kauai, Oahu, Maui and Hawai'i.

"For these reasons, I ask for your support and that of my colleagues on this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2212, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 834-00 and H.B. No. 2154, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2154, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY SERVICES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 835-00 and H.B. No. 2311, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2311, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE FOR DESIGN PROFESSIONAL SERVICES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 836-00 and H.B. No. 2509, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2509, HD 2, entitled: "A BILL FOR AN ACT RELATING TO KINSHIP CARE," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

Stand. Com. Rep. No. 837-00 and H.B. No. 2564, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2564, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Takumi voting no and Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2701, 2087, 2743, 1881, 2087, 1157, 2212, 2154, 2311, 2509 and 2564 had passed Third Reading at 4:40 o'clock p.m.

At 4:41 o'clock p.m., Representative Case asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 5:07 o'clock p.m.

Stand. Com. Rep. No. 838-00 and H.B. No. 2571, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2571, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Fox rose to speak in opposition to the measure, stating:

"Mr. Speaker, the people who live in Waikiki are like the canary in the coal mine. We're the ones who feel the first impact of things going wrong in Waikiki and have to tell the rest of the State about it. This is very important because, although Waikiki is going downhill, it still remains the number one tourist destination in the State of Hawai'i.

"The problem that the residents of Waikiki are very concerned about is an attempt to commercialize the Ala Wai Boat Harbor, particularly taking the front row of the Harbor and turning it into serious commercial activity. The reason this is happening, Mr. Speaker, you have to think of Kewalo Basin as a big clump of money, a big bag with a million dollars a year on it because that's what the Department of Transportation makes off the commercial activity in Kewalo Basin.

"Unfortunately, another department of state government, the Department of Land and Natural Resources, doesn't have access to that million dollars, but if they strip out the front row of Ala Wai Boat Harbor and invite the commercial activity in, they will literally move that bag of one million dollars from Kewalo Basin into Waikiki. That's the motive for this bill, HB 2571, to get money out of the Department of Transportation and put it into the Department of Land and Natural Resources.

"My concern is that, unfortunately, it has very negative effects on the quality of life of Waikiki at a time when we want to be lifting the quality of life up. When this Order of the Day began, we heard a very powerful speech from the Representative from West Maui talking about how the residents in that area have not really been consulted about something that the Legislature was doing. This same very thing is happening today on page 19 in the early evening, late afternoon. It's the same basic action. A serious action on the part of the Legislature that'll have devastating impacts on a community.

"It will bring commercial activity into the mist of paddlers. It will take away free parking for surfers. It will bring the whole cluster of buses that we see everytime we go to Ward Warehouse directly in front of apartment buildings and hotels, first class hotels, luxury hotels. It will decline our quality of life. It is not the right thing to do. We really should stop this bill. Thank you, Mr. Speaker."

Representative Schatz then rose to speak in support of the measure, stating:

"Mr. Speaker, we each are pursuing innovative means to fund non-core services of our government. Education, public safety and health and environmental protection must be our areas of priority funding and focus. The DLNR wants to generate revenues through complimentary commercial activities in our harbors, and I support them in their efforts. William Aila, the Harbor Master at Waianae, calls this bill the best of both worlds because it grants DLNR the flexibility to make money while retaining legislative oversight.

"None of the horror stories previously alluded to could become reality, if this bill passes, without approval by the Land Board, the Legislature and the Governor. Mr. Speaker, my priorities lie with education and if we can more monies available to schools through measures such as these, we should do so. Thank you."

Representative Takumi then rose to speak in support of the measure, stating:

"I concur with the remarks of the Vice Chair on this and also I want to indicate that, it bears repeating, that I know in the earlier versions of this bill a speaker said that this bill is premature. Actually I think the concerns in opposition to the bill is premature. Primarily because, again, if there's any attempt to commercialize the front row, any proposal would

have to go before both Houses of the Legislature, the Governor and the Land Board. There will be ample opportunity for public input. And if there are concerns about safety and traffic and access and all of that, surely this body will address them adequately.

"Lastly, by commercializing or having the potential of the possibility to commercialize the front row, it would create jobs, it would create revenue for the State, and it will help small business. Thank you very much, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2571, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BOATING FACILITIES," passed Third Reading by a vote of 40 ayes to 8 noes, with Representatives Auwae, Fox, Halford, Leong, Marumoto, Meyer, Moses and Pendleton voting no and Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 839-00 and H.B. No. 2392, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2392, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane then rose to speak in support of the measure, stating:

"I have to report a potential conflict. My mother is diabetic and brother is diabetic and I'm diabetic prone," and the Chair ruled "no conflict."

"Good then, Mr. Speaker, I'd like to rise in support of this measure. After having it debated in Committee and having seen what the current diabetic coverage is on our government plans right now, I feel that this would be a benefit for all of us on all health plans in the future. Because having seen some of the potential end products of the damage that diabetes can do to people. Thank you, Mr. Speaker."

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"Mr. Speaker, I would like to speak in favor of the measure.

"Diabetes is a chronic disease with serious complications such as heart disease, stroke, nerve and kidney disorders, circulatory problems, retinopathy and other eye disorders. It is often the cause of premature death and is nearing epidemic proportions across the nation and in Hawai'i.

"In Hawai'i (according to the American Diabetes Association) 33,652 adults had been diagnosed with diabetes in 1994, with an additional case of undiagnosed diabetes for every case diagnosed. Also, one in five persons is at increased risk for the disease because of the risk factors related to age, obesity and sedentary lifestyle.

"The risk of diabetes and complications is twice more for native Hawai'ians and Asians compared to the U.S. general population.

"Persons with diabetes spend four times more in health care costs than persons without diabetes, accounting for 14.6 percent of the U.S. health care costs in 1992.

"Patients need the tools to take charge of their diabetes. Close monitoring of blood sugar and a working knowledge of how to make day-to-day treatment and lifestyle adjustments will:

1. Decrease emergency room visits and hospitalization;

2. Decrease long-term complications;
3. Decrease premature death;
4. Decrease unemployment and increase productivity;
5. Decrease costs to individuals, families and society;
6. Increase quality of life.

"Sadly, some insurance plans in Hawai'i do not include diabetes self-management education and lack coverage for equipment and supplies. This bill will remedy this situation and therefore I urge your support of HB 2392, HD2. Thank you."

Representative Kahikina rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I support HB 2392. The purpose of this bill is to require all individual accident and sickness health care policies providing health care coverage and all group health care contracts issued by health maintenance organizations and mutual benefit societies; to cover outpatient diabetes self-management training, education, equipment, and supplies.

"This bill will save lives and prevent unnecessary amputations. Statistics show native Hawai'ians suffer the most from this disease, therefore I support this bill."

Representative Kawakami then rose to speak in support of the measure, stating:

"Mr. Speaker, I may be in conflict too, I'm a diabetic," and the Chair ruled "no conflict."

"Thank you very much. I'll be brief. This is an important health care issue which would require primary health care policies to cover diabetes self-management training and education, equipment and supplies. In essence, this is a preventive measure designed to reduce the many, many complications from diabetes later in life. It advocates for early diagnosis, early education, and early medication and medical care.

"Approximately 90,000 persons in Hawai'i have diabetes, a very high incidence rate. Unfortunately, the highest mortality rates are found specifically within our native Hawai'ian communities who are at great risk.

"Complications from diabetes are preventable. Existing impact studies have already demonstrated that an integrated system of self-management, training and care can result in significant cost savings.

"But more importantly, Mr. Speaker and colleagues, we will realize more than just cost savings. Think of all the lives which could be saved in Hawai'i. Young and elderly, these individuals could continue to lead productive and quality lives. For these reasons, I urge you to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2392, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of 48 ayes, with Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 840-00 and H.B. No. 2520, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2520, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Third Reading by a vote of 48 ayes, with Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 841-00 and H.B. No. 2794, HD 3:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2794, HD 3, pass Third Reading, seconded by Representative Yonamine.

Representative Marumoto then rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I'd like to address Standing Committee Report No. 841 on House Bill 2794, House Draft 3, regarding aircraft leasing.

"I am totally opposed to taxing leases written long ago for airplanes. Perhaps, as long ago as 1946, when one local airline started leasing aircraft. Because long ago a decision was made to lease the aircraft rather than to purchase it probably because it was more cost effective. Now if we try and go back and collect those taxes, perhaps, the decision to lease would have been different. Perhaps, it would have been more cost efficient to purchase the aircraft and take the depreciation on the equipment.

"The good news about this bill is it will exempt future leases on airplanes, but in my mind it is very unfair to penalize local airlines to go back in time and tax what was then probably a good business decision. Penalizing our local airlines will only serve to adversely impact passengers, tourists and residents, especially those who live on the neighbor islands. Because half the bill is acceptable and half the bill is not acceptable to me, I vote 'aye with reservations.'"

Representative Hiraki then rose to speak in support of the measure, stating:

"Mr. Speaker, the purpose of this bill is to clarify prospectively whether our general excise tax laws are applicable to mainland companies that receive these lease rental payments from our inter-airlines companies, primarily Hawai'ian and Aloha.

"This bill makes it clear that such leases on aircraft, payable to an out-of-state lessor, are not subject to and are exempt from the general excise tax. The technical tax issue involved is whether the out-of-state aircraft lessors are considered doing business in the State to subject them to the general excise tax and whether there is a sufficient nexus to legitimately impose a tax.

"Both interisland airlines take the position that these lessors are not doing business in the state and therefore, they are not liable for this tax. Generally, these lessors have no office in the State, no employees in the State, they are not registered to do business in Hawai'i.

"For the record, Mr. Speaker, the facts are as follows Hawai'i is the most heavily dependent state on air transportation for the intra-state transport of goods and people. Hawai'i is the only state that imposes this tax on out-of-state lessors of aircraft. Over the past 50 years, the State of Hawai'i has never assessed the general excise tax on these out-of-state lessors of aircraft. Recently the State interpreted the general excise tax law to apply to these out-of-state lessors and requested both of our major inter-island airline companies to pay the back general excise taxes due -- in one airline's case, for back taxes due for the past 50 years, including penalties and interest. And these tax amounts due both prospectively and retroactively will have a tremendous financial impact on the interisland airlines industry.

"It may lead to, at least for one airlines to fold up; and at the minimum, higher ticket fares as these taxes are passed on to consumers. The bill, Mr. Speaker, only provides prospective relief and does not address the retroactive relief primarily to allow the Department of Taxation the opportunity to use the

next couple of months to provide the Department of Taxation some flexibility to settle this issue, as far as the prospective tax issue, and to allow differences in the House and Senate bills for the purpose of maintaining further discussion in conference committee. We reserve the right to address the issues of retroactivity at some later date, however.

"In evaluating a final House position on this measure, several policy issues need to be discussed further. One, tax interest, is there a compelling reason why Hawai'i should be the only state to impose a tax on mainland lessors of aircraft, especially for a state so dependent on interisland air travel? Two, enforcement, should the State be stopped from asserting its claim when for over 50 years the State never assessed the general excise tax on these out-of-state lessors of aircraft? Three, benefits, will the State derive any benefits by providing this proposed tax relief, specifically, will the interisland airlines use this relief to improve service, increase carrying capacity, or lower airfares? Four, competition, is there a compelling state interest in maintaining at least two major interisland carriers if imposition of this tax will result in at least one major airline going out of business, specifically, will just having one carrier result in higher fares, limited schedules and/or limited service? Also how do we handle the thousands of local workers who'll lose their jobs if one of our carriers decides to go out of business? Where will they go?

"Mr. Speaker, as I said before, this bill is designed to go into conference and further discussion on this fairly complex issue. And as always, we will consider the best interest of the State as we develop a final House position on this measure. Thank you."

Representative Arakaki then rose to speak in support of the measure with reservations, stating:

"I actually admit ignorance because I guess I don't serve on any of these committees that heard this bill, and I'm not really familiar with all the nuances of the bill. But I think we do have a right to question when it comes to tax exemptions of what the public policy issues are. In fact, we may have an obligation to do so. I'm not opposed to providing assistance to our local airlines, in fact, I supported the loan that we gave to Hawai'ian Airlines several years ago.

"I think it was a lot easier to understand that we were saving, I think, the airlines back then. And I'm glad to see that they're doing so well now. So the nexus is very clear in that case, but in this one, I'm not really sure. Although, I know the Chair of the Transportation Committee is very aware that we need to justify the exemption. I didn't realize that our airlines were in trouble financially -- I hoped they were not -- where this tax would make a difference.

"My basic question would be can we create this nexus where our consumers are going to benefit if we provide this exemption and is there a way of showing that? It may not be as easy with the loan that we provided previously to Hawai'ian Airlines. I just want to make sure that we're not just doing this to increase the profit margins of the companies involved or to line the pockets of the investors. If I can get that assurance, Mr. Speaker, I'll have no reservations. Thank you."

Representative Kawakami then rose to disclose a potential conflict of interest, stating:

"I used to be employed by HAL," and the Chair ruled "no conflict."

Representative Yamane then rose to speak in support of the measure with reservations, stating:

"I have some reservations, but I'm putting my faith in the Chair so we'll see where the bill goes. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2794, HD 3, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 48 ayes, with Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 842-00 and H.B. No. 2835, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2835, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Meyer rose to speak in opposition to the measure, stating:

"This bill creates a tax on water, and as it is presently written, it would tax only the municipal users of water. The original bill put a price of five cents per thousand gallons. All the water companies on all the islands testified against it. I just certainly hope we don't pass this. Thank you, Mr. Speaker."

Representative Marumoto then rose to speak in opposition to the measure, stating:

"I will be voting no, and I was opposed to the taxation of water and the fact that it will be collected by the counties, even though revenues are derived by the State. But I was puzzled by some language that this Water Resource Commission may require the Public Utilities Commission to levy the assessment on public utility companies. And the water companies, utilities, are not regulated by the PUC so I don't quite understand how this process will work. Nevertheless, I will be voting no."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2835, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WATERSHED PROTECTION," passed Third Reading by a vote of 40 ayes to 8 noes, with Representatives Fox, Leong, Marumoto, Meyer, Moses, Pendleton, Rath and Whalen voting no and Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 843-00 and H.B. No. 839, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 839, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Morita rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Morita's remarks are as follows:

"Mr. Speaker, I rise in strong support of Standing Committee Report No. 843-00, House Bill No. 839, HD 1, Relating to General Tax Exemption for a Wastewater Recycling Facility.

This bill will benefit the City and County of Honolulu and U.S. Filter who have entered in to an agreement for the Honouliuli wastewater recycling contract. Usually the general excise tax is passed on to the customer, but in this case the approximate \$104,000 tax burden is shared equally by both the City and County of Honolulu and U.S. Filter. Simply put, either way, the cost is borne by the taxpayer.

"Despite this small technicality of who actually pays the tax, this will be a very small cost to absorb in order to support and encourage the use of recycled water. Please consider these points:

- * In two public bidding processes, U.S. Filter was the only company willing to take the substantial financial risk to build the plant with its own capital.

- * The Honouliuli project is creating a construction project that is worth more than \$20 million and will bring advanced water treatment technology to the State.

- * This project will divert over 13 million gallons daily from ocean outfall.

- * U.S. Filter will be selling recycled water to private parties. No exemption being sought for the tax on recycled water that will be sold to private parties. If there were another company selling recycled water in the Ewa Plain, which there is not, U.S. Filter would not gain any preferential treatment over them since U.S. Filter's sales of water to private parties will be subject to the GET.

"Granting this exemption is a nominal way for this body to support the state policy of encouraging the reuse of recycled water. I urge this body's support."

Representative Cachola rose in support of the measure with reservations and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Cachola's remarks are as follows:

"I rise to speak in favor of House Bill 839, House Draft 1, with serious reservations.

"One, this bill will set a policy to benefit just one company. Two, this will give the company an unfair advantage over other companies that provide the use of treated water. Three, the argument that this bill will help only the City and County of Honolulu is not correct. Without this general excise tax exemption, the City and County of Honolulu's increased cost of operation can be passed on to consumers. Four, the State Department of Taxation is testifying in opposition of this bill.

"I strongly believe that if we are going to give tax exemptions, we should give all companies and groups that are similarly situated the same tax benefits.

"It is for these reasons I speak in support of House Bill 839 House Draft 1 with serious reservations."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 839, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAXATION OF WASTEWATER LEASING," passed Third Reading by a vote of 47 ayes to 1 no, with Representative Suzuki voting no and Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 844-00 and H.B. No. 284, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 284, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 48 ayes, with Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 845-00 and H.B. No. 283, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 283, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative McDermott offered the following amendment to H.B. No. 283, HD 2:

SECTION 1. House Bill No. 283 HD2 is amended by deleting its contents and replacing it with the following to read as follows:

"SECTION 1. The purpose of this Act is to propose an amendment to Article X, sections 2 and 3, of the Constitution of the State of Hawai'i to provide for the elimination of the current statewide board of education, replacing it with seven local boards elected by the people, and to provide for a public high school student to serve as a voting member on each local school board, except on matters regarding personnel.

SECTION 2. Article X, section 2 of the Constitution of the State of Hawai'i is amended to read as follows:

"[BOARD] BOARDS OF EDUCATION

Section 2. There shall be [a board] seven local boards of education composed of members who shall be elected in a nonpartisan manner by qualified voters, as provided by law, from [two at-large] seven local school board districts. The first school board district shall be comprised of the island of [Oahu and all other islands not specifically enumerated. The second school board district shall be comprised of the islands of Hawai'i, Maui, Lanai, Molokai, Kahoolawe, Kauai and Niihau. Each at-large school board district shall be divided into departmental school districts, as may be provided by law. There shall be at least one member residing in each departmental school district.] Hawai'i. The second school board district shall be comprised of the islands of Maui, Lanai, Molokai, and Kahoolawe. The third school board district shall be comprised of the islands of Kauai and Niihau. The island of Oahu shall have four districts, districts four through seven, as follows: that portion of the island comprised of Honolulu; that portion of the island comprised of Central Oahu; the portion of the island comprised of Leeward Oahu; and that portion of the island comprised of Windward Oahu. The Hawai'i State Student Council shall select a public high school student to serve as a [nonvoting] voting member on [the] each local school board [of education], with the exception that each student member shall not be permitted to vote upon matters regarding personnel."

SECTION 3. Article X, section 3 of the Constitution of the State of Hawai'i is amended to read as follows:

"POWER OF THE [BOARD] BOARDS OF EDUCATION

Section 3. The seven [board] boards of education shall each have the power, as provided by law, to formulate [statewide] district wide educational policy, exercise control over budgetary and personnel matters, and appoint [the superintendent] a director of education as the chief executive officer of [the public school system.] each respective school board district."

SECTION 4. The question to be printed on the ballot shall be as follows:

"Shall the current constitutional provisions on the creation and power of the Board of Education be amended to provide for the elimination of the statewide Board of Education, replacing it with a total of seven local school boards elected by the people and providing for a public high school student to serve as a voting member on each local school board?"

SECTION 5. Constitutional material to be repealed is bracketed. New constitutional material is underscored.

SECTION 6. This amendment shall take effect upon compliance with article XVII, section 3, of the Constitution of the State of Hawai'i."

Representative McDermott moved that the amendment be adopted, seconded by Representative Halford.

Representative McDermott then rose to speak in support of the amendment, stating:

"Mr. Speaker, first let me state that this is not a negative reflection on the Chair or the acting Vice Chair of the Education Committee. They've done a conscientious effort. They've done yeoman's work this session, and I appreciate their efforts and I've come to know them as friends. Rather, this is a reflection of the Minority Caucus' positive affirmation

of locally elected school boards at the grass roots level. That's what this amendment is for.

"We want to put forward a positive indication, a positive message where we stand with regard to the Board of Education. In the four years that I've been here, we've consistently maintained this position. I think we should continue to do it.

"Mr. Speaker, I have dealt with the Board of Education. I know some good people on there. I don't want to say they're not, especially Representative Pendleton's wife. I've testified in front of them three or four times and it's somewhat a dysfunctional body. And those folks are somewhat anonymous to the people that elect them. I've come to the point where I'm even willing to embrace the Majority's position of appointed school boards now. I'm willing to do anything, Mr. Speaker, but what we need to do is something because what we got ain't working. So that's what this amendment is for. I didn't introduce a bill to this effect, but I believe the Caucus did. So I thank you, Mr. Speaker."

Representative Ito then rose to speak in opposition to the amendment, stating:

"First, this floor amendment circumvents the committee process. The proposed substantive amendments to the bill have not been subjected to a public hearing, and to insert such amendments at this juncture would circumvent the established public hearing process. The public has not had an opportunity to comment on this entirely new proposal.

"Moreover, the House's position has been to empower the school superintendent to run our public schools. We have passed several pieces of landmark legislation to do that today. We have passed bills setting up an educational accountability system and giving additional budgetary flexibility to the DOE.

"Third, our position has been to have an appointed school board work together with the school superintendent to further streamline the educational system. This proposed amendment will create additional bureaucratic layers that the superintendent must work with. This will create duplicative overhead and additional administrative costs, which will detract from funds available for use in the classroom.

"There is also a technical flaw in the floor amendment in that the proposed question to appear on the ballot does not accurately reflect the proposed constitutional amendment. The question does not mention the local control to be exercised within each district.

"For these reasons, Mr. Speaker, I urge my colleagues to vote 'no' to the floor amendment. Thank you."

Representative Fox then rose to speak in support of the amendment, stating:

"Mr. Speaker, one of the key reasons that education is not working as well as it can is the parents don't feel direct involvement in the process. A key way to get parents more directly involved is to let them know the members of the school board that represent them.

"Another reason that the education system in Hawai'i might be less than the best in the country is that it is so large. In California, in the City of Los Angeles, the Los Angeles Unified School District is one of the largest in the country and right now there's an active effort underway in Los Angeles to break up the school board.

"Mr. Speaker, you heard the previous speaker, the Chair of the Education Committee, tell you that this is moving forward without a hearing. Yet this issue was widely discussed two years ago because this is basically the proposal of the Economic Revitalization Task Force to go from one single statewide board of education down to county boards of education. That's

the direction that the Minority captured at the time and that's the direction that we've been on ever since the ERTF made that recommendation.

"Let's get the school boards down to the local level where the people have a chance to know the people on their boards, deal with them directly, and engage in school members who know very well the local schools in the area because they only represent an area that constitutes the size of a current school district. This is a very popular issue on the Neighbor Islands. I hope we will hear from some of our Neighbor Island colleagues about how much this will help bring control of the school districts to the county level and to the islands where the issues are different for each and every island. Thank you very much, Mr. Speaker."

Representative Leong then rose to speak in support of the amendment, stating:

"Actually most of it's already been said. So I think that if it would involve students, I'm speaking for the amendment, it would involve students and families more directly with the cost of education, so that's always good. And it would stimulate local involvement in this whole educational process. I support the amendment. Thank you."

Representative Takai then rose to speak in opposition to the amendment, stating:

"Thank you. The initial bill provides the opportunity for the voters to decide whether or not the student on the board should be a voting student. This measure has been introduced for at least eight years now. And I recall about four years ago the Chair of the Committee on Education suggested that this was not an appropriate time to discuss this because at the same time we were discussing the structure of the Board of Education. And I agreed that let's discuss the structure first, let's get that over with, then let's look at the student on the Board of Education separately. Because if you put those two questions together on the ballot, voters would not have an opportunity to vote for a voting student and against the Board of Education structure.

"This amendment does that. It puts two separate issues on the ballot at the same time and I think the students have waited long enough to allow the voter to make a decision as to whether or not the student on the Board of Education should be voting. So I would urge my colleagues to just stick with the intent of the initial bill and see if, in fact, the voters believe in these students and support, in fact, the voting member on the Board of Education. Thank you very much."

Representative Morita then rose to speak in opposition to the amendment, stating:

"When we talk about local control, what I'd like to see is more support to the school-community-based-management process. And I believe that's what we mean when we say we want local control. Thank you."

Representative Herkes then rose to speak in opposition to the amendment, stating:

"The author of the amendment doesn't seem to understand the Big Island very well, which is as big as the other islands put together. You want some controversy? Go tell the Big Island residents that they're going to vote for a Big Island School Board, but not tell them how that vote is going to be conducted. They're all going to blame Hilo that's going to run it and the Kona people will say we want our own school board. They want two councils. This isn't going to work in this present language."

Representative Yonamine then rose to speak in opposition to the amendment, stating:

"I agree with the previous speakers about how complicated trying to make a central board become an elected local board because first you amend the Constitution and try to work out the details. And that's how it works. I've been in touch with a member very actively involved with the Detroit School Board, 180,000 students, very close equivalent to Hawai'i. It's about the tenth largest in the United States.

"What happened in Detroit was the Legislature passed the bill to enable a task force with adequate staffing to conduct a two year study to look at the way the central board was functioning and how each of these eight regional boards would then fit in. Whether it's budget and finance, or collective bargaining issues, CIPs, R&M, personnel hiring, transfers and hiring of, in that case, a regional board superintendent. Well it did take two years of hard work. The second year was spent taking it throughout the city for public hearings.

"In other words, careful planning was done to involve and declare in terms of the functions of the central and the responsibilities of the local regional board. That's the kind of thing it takes to change the governance of the school board. And I think this is a real quick fix on a very difficult problem that we still need to deal with. I'm still for an elected school board. How to elect them is another issue that should be spent on another time, in another bill. Thank you."

Representative McDermott then rose to speak in support of the amendment, stating:

"Mr. Speaker, what we have now is not working. That's the facts. It's not working. So a vote of no is to say I'm satisfied with the status quo. I don't want to make any changes. What we got is good enough for our kids. I don't think it is. Have you ever been over there. It's bizarro world. I've been over there three or four times. I feel empathy for Dr. LeMahieu, he reports to them. I wouldn't make my 12 year old son Nicholas report to them.

"Mr. Speaker, we've got to fix this thing. This isn't perfect. I'll welcome friendly amendments to it. But let's do something. Let's do something. Mr. Speaker, I'd like to request a roll call vote at the appropriate time. Thank you."

Representative Moses then rose to speak in support of the amendment, stating:

"I just want to say we've heard from previous speakers about it didn't go through the public process, the hearing process. It needs some amendments. It needs some changes. Well as the last speaker just said, we could make those amendments here.

"But as for not going through the public hearing process, maybe we should amend the House Rules then. Maybe we should say amendments are not allowed on the House floor unless they go through committee hearings first. In which case, committee hearings must be allowed for any Minority or any single individual's request for an amendment to something. So if we were to say, we want to have this heard, then we have to have a hearing on it. In this case, the Education Committee would have to hear the bill or the amendments. You can't have it both ways. Either amendments are allowed on the floor or they're not. Thank you, Mr. Speaker."

Representative Stegmaier then rose to speak in opposition to the amendment, stating:

"Thank you. Not to belabor the opposition, but in rising in opposition to reiterate what the Representative from Kauai just mentioned. Where we really need to focus our attention is on the SCBM councils.

"In the case of the Honolulu District, according to this amendment, that so-called local board would encompass the high school complexes of Kaiser High School, Kalani High School, Kaimuki High School, Roosevelt, McKinley and

Farrington. There's no way that that would be a local board that the parents would be familiar with. Thank you."

Representative Pendleton then rose to speak in support of the amendment, stating:

"Mr. Speaker, first I'd like a ruling on a potential conflict, my wife is a member of the Board of Education," and the Chair ruled "no conflict."

"Mr. Speaker, the reason why I support this amendment to this particular bill before us is because it allows for closer contact between those who make decisions and those who have to live with those decisions. My wife in serving on the State Board of Education regularly, once or twice a month, flies to Neighbor Islands. The entire Board picks up, they go to Lanai, Molokai, Niihau. The reason why they do that is it is important for them to be on the ground meeting teachers, meeting students, meeting faculty, talking to parents, being accountable, getting to know the particular issues on a particular perspective of a local school.

"That's why they do that because they recognize it's important for them. Not to try to manage a school in say Hilo from Honolulu. It's not doable. It's not possible. It's not the optimal way to make a decision with respect to a classroom way across the State. They do their best by flying around the State. The problem is that whenever they leave they may not be back there for another six months. The benefit of a local school board is that you're likely to have people living closer to the schools.

"Mr. Speaker, it's been interesting that we've gotten criticism from both angles. One is, well you shouldn't be moving towards the local school at all. And then most recently with the legislator from Hawai'i Kai saying, well this doesn't go far enough if you're really serious about local schools. Well maybe this is the intermediate step, heading in the right direction, following off on the ideas of the ERTF to move the boards closer to the students. No one is saying that this is perfect, this is the panacea, it's going to solve all of our problems.

"No, we're not saying that. But we are saying it's an important step recognizing number one, the status quo is unacceptable. Number two, try to get our board members closer to the students, closer to the issues, closer to the parents. Number three, basically saying that we think that having a student on the Board is a good idea. Not only then would you have one student, but you have, I believe, seven students on these various local boards. All of which, apparently, would live closer to the parents they are accountable to.

"So for those reasons, Mr. Speaker, I support this amendment."

At this time, Representative McDermott requested a roll call vote.

The request for a roll call was put to vote by the Chair and the request was granted.

Roll call having been requested, the motion to adopt the amendment was put to vote by the Chair and failed to carry on the following show of Noes, Ayes, and Excused:

Noes, 38: Representatives Abinsay, Ahu Isa, Arakaki, Cachola, Case, Catalani, Chang, Espero, Garcia, Goodenow, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho'ohalahala, Kanoho, Kawakami, Lee, Luke, Menor, Morihara, Morita, Nakasone, Oshiro, Saiki, Santiago, Schatz, Souki, Stegmaier, Suzuki, Takai, Takamine, Takumi, Yamane, Yonamine, Yoshinaga and Say.

Ayes, 12: Representatives Auwae, Fox, Halford, Leong, Marumoto, McDermott, Meyer, Moses, Pendleton, Rath, Thielen and Whalen.

Excused, 1: Representative Okamura.

(MAIN MOTION)

Representative Kahikina rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I support with reservations HB 283 HD2, to make the student member of the Board of Education a voting member. My concern is about the liability of all public servants, commissions, and boards that can be sued. Who would be held liable for the minor's actions?"

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 283, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 47 ayes to 1 no, with Representative Suzuki voting no and Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 846-00 and H.B. No. 564, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 564, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Goodenow rose to speak in support of the measure with reservations, stating:

"I support the bill, however, I do have reservations about the cost associated with this bill. The Employees' Retirement System has indicated that it would be significant and I'd like to know how significant. Thank you."

Representative Souki then rose to speak in opposition to the measure, stating:

"Thank you very much, Mr. Speaker. I want to declare a possible conflict of interest. I'm a retiree and a beneficiary of the ERS military buy back," and the Chair ruled "no conflict."

"I wish to speak in opposition to this bill. I don't believe it's a fair bill to those who were in the military and wish to have a buy back when the opportunity arises. As the law presently is, you can have a buy back at the current rate of your retirement system. What I mean is that if you're a legislator, you're computed at 3.5. If you're a contributory member, you're at 2.0, non-contributory at 1.25, and police and firefighters 2.5.

"This measure, here, changes all the ratios and percentages of your retirement to 1.25. So members, those of you who are military and your friends out there who are working for the State and the county, who are on different schedules than at 1.25, they will be affected by this bill here. I'm sure it was done not with any ill contempt, but possibly not knowing the ramifications of such a bill like this. If I am wrong, please tell me so. But I believe that this bill, as it is, is not a good bill. It will hurt all the veterans that we have in the State of Hawai'i, including here in the Legislature. Thank you very much, Mr. Speaker."

Representative Moses then rose and stated:

"Thank you, Mr. Speaker. I also wish to declare a potential conflict of interest on this measure.

"Thank you. For the same reasons, I will be opposed to this bill. I'd like to hear that..."

The Chair interrupted Representative Moses, responded:

"What's your conflict of interest?"

Representative Moses continued, stating:

"My conflict is I'm a retired Marine major," and the Chair ruled "no conflict."

"Thank you. If it does create different amounts for contributory, non-contributory, et cetera, then I would have to be opposed to this measure. I think everybody should be treated the same. So if somebody could clarify that measure, I'd be happy to vote for it. If not, I'll have to remain opposed."

Representative McDermott then rose to disclose a potential conflict of interest, stating:

"I was a Marine 50 pounds ago," and the Chair ruled "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 564, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 42 ayes to 6 noes, with Representatives Chang, Halford, Moses, Rath, Souki and Yonamine voting no and Representatives Nakasone, Okamura and Takumi being excused.

Stand. Com. Rep. No. 847-00 and H.B. No. 1970, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1970, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PREPAID TELEPHONE CALLING SERVICE," passed Third Reading by a vote of 48 ayes, with Representatives Nakasone, Okamura and Takumi being excused.

The Chair directed the Clerk to note that H.B. Nos. 2571, 2392, 2520, 2794, 2835, 839, 284, 283, 564 and 1970 had passed Third Reading at 5:51 o'clock p.m.

Stand. Com. Rep. No. 848-00 and H.B. No. 2753, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2753, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kahikina rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I strongly support HB 2753. The purpose of this bill is to:

"Require a two-year moratorium on the issuance of new permits for commercial marine mammal watching tours along the Waianae Coast of Oahu;

"Require the Board of Land and Natural Resources to conduct a study to determine the maximum number of permits for commercial marine watching tours along the Waianae Coast of Oahu to be issued based on a determination of the impact that these activities may have on marine mammals in that region;

"Conduct a study to determine the feasibility of issuing permits for specific rather than unspecified ocean recreational activities along the Waianae coastline; and

"Require all persons who have been issued commercial use permits that involve marine mammal watching along the

Waianae Coast of Oahu to charge paying passengers a \$1 fee that will be deposited with the Department of Land and Natural Resources to fund the studies required by this bill.

"This bill is a 'Kaneohe Bay' prevention bill that would afford a community-base process, with a study to determine capacity and effects to the community, environment, and economy. The study will be paid by the industry and avoid unnecessary conflicts on the Waianae Coast seas."

Representative Auwae rose to speak in support of the measure, stating:

"This is a good bill. This bill is for the Waianae Coast. As some of you know, other areas like Kaneohe, Maui and Kauai have had problems with the tours that have people who go out and view the dolphins and the whales. Well they have been thrown out of other areas and now they're in Waianae. I happen to be a fisherman's wife and I see them out there and I appreciate the fact that they love to see the dolphins. But we need a moratorium, and do a study to make sure that they are not going to impact the area and hurt any of the dolphins that we do have out there. After all, we do have limited resources and we would like to take care of it. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2753, HD 2, entitled: "A BILL FOR AN ACT RELATING TO OCEAN RECREATION," passed Third Reading by a vote of 49 ayes, with Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 849-00 and H.B. No. 2391, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2391, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Moses rose to speak in support of the measure, stating:

"I just want to say that I've worked with the Parent Community Networking Center for a number of years and not as a paid person of course, but as a community member. They work well with the SCBM's at the schools and they work well with the PTSA's or PTSO's, whichever is at your school. They are a link between the schools and the community and they do a very good job. Unfortunately they are not at every school. I hope that we find the money to grant them with funds they need through the Department of Education to be at every school. To be full-time at every school instead of only part-time would be a benefit. Thank you, Mr. Speaker."

Representative Kawakami then rose to speak in support of the measure, stating:

"The bill ensures that every public school has at least basic funding of a PCNC program at the school level. Presently there are 157 schools that are fully funded. Forty-five schools are partially funded, and seven schools have one year appropriations. Forty schools have no funding. So the bill is to bring those schools up to par with the others. Thank you very much, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2391, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PARENT-COMMUNITY NETWORKING CENTERS," passed Third Reading by a vote of 49 ayes, with Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 850-00 and H.B. No. 1949, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1949, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Kahikina rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Kahikina's remarks are as follows:

"Mr. Speaker, I strongly support H.B. 1949. The purpose of this bill is to designate the Department of Land and Natural Resources (DLNR) as the lead state agency for preventing the introduction and carrying out the destruction of the alien aquatic organisms through the regulation of ballast water discharges and hull fouling organisms. This concerns the grave need to prevent any contamination into our natural resources of these alien species. This bill should give DLNR, the lead agency, the ability to address this concern."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1949, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ALIEN AQUATIC ORGANISMS," passed Third Reading by a vote of 49 ayes, with Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 851-00 and H.B. No. 2803, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2803, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PLANT AND NON-DOMESTIC ANIMAL QUARANTINE," passed Third Reading by a vote of 49 ayes, with Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 852-00 and H.B. No. 3016, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 3016, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL ASSISTANCE TO LOW-INCOME PERSONS," passed Third Reading by a vote of 49 ayes, with Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 853-00 and H.B. No. 2539, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2539, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to speak in support of the measure with some reservations, stating:

"This increases the barrel tax to some blank amount. My concern is the linkage between the expansion of what these funds will be used for. It's a barrel tax faced with, I assume in oil. Right now in the law it specifies that these funds be used for oil spill planning, training, removal mediation and for used oil recycling programs.

"This bill seems to expand that to support environmental protection, natural resource protection programs, clean water, polluted runoff, air quality, global warming, almost like global solutions, but anyway, solid and hazardous waste. And my question is I don't see the linkage between the tax and the benefits to be used for. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2539, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL RESPONSE REVOLVING FUND," passed Third Reading by a vote of 38 ayes to 11 noes, with Representatives Fox, Halford, Marumoto, McDermott, Meyer, Moses, Pendleton, Rath, Thielen, Whalen and Yoshinaga voting no and Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 854-00 and H.B. No. 2123, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2123, HD 2, entitled: "A BILL FOR AN ACT RELATING TO WAGES AND TIPS OF EMPLOYEES," passed Third Reading by a vote of 49 ayes, with Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 855-00 and H.B. No. 2984, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2984, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Moses rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. With inclusion of tips, many employees make much more than the minimum wage. Yet, the employer must still pay the employee not less than the minimum wage minus a meager 22 cents tip credit, according to this bill. So in order to promote business in the State, I believe that the tip credit must be increased. For this reason, I have reservations on House Bill 2981, HD 2."

Representative Yamane then rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I rise in support of this bill, but with one, not reservation, but with one hope that as this bill moves on that the tip credit will be looked at. I know that in Committee meetings it was brought out that the federal tip credit is 50 percent, but the concern was that if we use the federal guidelines, the minimum wage for some workers in the restaurant industry would be less than \$3 an hour. One of the amendments that was brought by one of the general managers of a restaurant chain here seemed very reasonable and might be incorporated as this bill moves along. And that's a particular amount, for example \$5 and use anything over \$5 at 50 percent. They said the restaurant owners' managers that were there said they could live with something like that. Thank you, Mr. Speaker."

Representative Fox then rose in support of the measure with reservations and asked that the remarks of Representatives Moses and Yamane be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Goodnow then rose to speak in support of the measure with reservations, stating:

"Thank you. I stand in support of the same measure with the same reservations. I'd just like to note that in the testimony they passed out state wage laws. Where as has been mentioned earlier, the federal tip credit is \$3.02 and you go down this list by all the states here and Hawai'i is noticeably near or at the bottom. You've got 50 percent, 23 percent, 55, 35, 40, \$3.02, 40 percent, 40 percent, \$3.02, 50 percent, \$2.77, I could go on, but we are noticeably out of line I would suggest in the tip credit. Thank you."

Representative Pendleton then rose to speak in opposition to the measure, stating:

"Mr. Speaker, the intent of this measure, to raise the minimum wage, is a good and noble one. I support making sure people have as much money as they possibly can have to raise their family, to meet their basic needs.

"The concern I have is the way in which we're trying to raise the standard of living. Raising the standard of living is something we need to do. Doing it in this fashion is not something we need to do. I'm concerned about the unintended affects. A better way, a more targeted way to make sure that those people who are truly needy get more income is through

the earned income tax credit, a refundable, income tax credits. I believe we had a bill, moved the bill forward, HB 1830, HD 1. Those kinds of vehicles are much more targeted because it looks at the exact income that the people are bringing in, and then allows for the government to fine tune it to make sure they have enough so that they can feed their families. That's the way you help families.

"Who's out there earning the minimum wage? Generally, it's entry level workers, often high school students working during the summers. Many of them aren't really that poor after all. In fact, most have two parents who are earning incomes. So we are shifting a lot of those incomes to a lot of those students who aren't necessarily the ones we want to target.

"There's been some studies, Mr. Speaker, regarding the minimum wage and some of the unintended effects. According to a 1981 study which was commissioned by the federal government, that was the federally mandated Minimum Wage Study Commission, it concluded each 10 percent of the minimum wage increased, reduces teenage employment by one to three percent. At the same time, we are generally adding, say 10 percent, across the board without regard whether they are needy or not. A physician's child, Bishop Estate Trustee's child or any of these young people who are working for minimum wage, whether they need it or not, will be benefiting from the increase. You still end up reducing employment for those entry level jobs by between one to three percent, every 10 percent increment. That's not something that we want to do.

"If we look at countries like France, France has the highest minimum wage in the European Union, the highest minimum wage. Guess what country has the highest level of unemployment for those 21 and under? It's France. There's a correlation between raising entry level wages and unemployment for those people trying to get their first job.

"Again, if we are talking about families who are really struggling, the earned income tax credit or refundable income tax credit, where we can actually look at how much they're making, and target the people who really need it. We don't want to go across the board in shot gun fashion, giving a whole host of people, who we aren't necessarily trying to target, extra money. That's not the way to do it.

"Another study shows that an increase in the minimum wage not only reduced the employment opportunities at entry level, but they hurt particularly those who are minorities. An unemployment rate study showed that by 1960, and this was a number of years after there was an increase from \$.75 to a \$1.00, so we're only looking at a 25 percent increase. This study from 1956 to 1960 showed that the unemployment rate for black teenage males, was up to 22.7 percent, but the white teenage male rate was only 14.0 percent. That had been a difference from 1956 to 1960.

"Other studies, more recently, corroborate that the way you harm minorities is by raising the minimum wage across the board. Better to look at overall family income and through a more targeted fashion through an EITC to help that family. Again the intentions behind raising the minimum wage are good. But the effects, unintended consequences, the reduction in number of entry level jobs, that's not something we want. The disproportionate adverse impact on minorities, that's not something we want. What we want to do is help families.

"Last and finally, Mr. Speaker, there was a study by economist Richard Burkhauser and Martha Harrison and it found that 80 percent of the net benefits of the last minimum increase, again this is a federal move, went to families well above the poverty line. Almost half went to those with incomes more than three times the poverty level and a great number went to families where the combined income was over \$60,000 a year. Those aren't the kind of people we're really targeting by raising the minimum wage. We're really trying to reach those who really need it. Those who are needy. Those are the

people we are trying to help. I think a more targeted way of helping those people would be the best.

"Again, the intentions are good, but I just disagree with the fashion or the manner in which we're trying to help these people. Thank you, Mr. Speaker."

Representative Auwae then rose to speak in support of the measure with reservations, stating:

"People that are earning \$5.25, will not understand why we cannot give them a raise tomorrow. All the statistics in the world will not prove to them that you are right. They're just ordinary people that want a raise. So it's pretty hard, we might understand it, but the ordinary person who is earning only \$5.25 will not understand what we are trying to prove here. I'm very much in support of raising the minimum wage from \$5.25 an hour to \$5.75. There are many people trying to support themselves and their families on a minimum wage salary. It is very important that we ensure that the minimum wage is increased periodically to reflect the rising cost of living in Hawai'i. Thank you, Mr. Speaker."

Representative Rath then rose to speak in opposition to the measure, stating:

"There is a time to raise minimum wage and that's during 'boom times,' not during the recession. We're now in our tenth year of recession. The statistics that were referred to by our Minority Leader are true, but let me bring it into focus for right here in Hawai'i. Let's say, for example, you have a small business. You know bankruptcies for small businesses have been sky high. The ratio for closures for actual bankruptcies is 10 to 1. For every one business that goes bankrupt there's ten businesses that just closed their doors and say I just can't do it anymore.

"Now the small business person is the only person by law who is allowed to work for less than the minimum wage. If they are going bankrupt and out of business, then I submit that they are working, in many cases not only for less than minimum wage, but they're reaching into their own pocket and paying for the privilege for being in business.

"Now let's take a small business person with five minimum wage employees and lets talk about what this raise would do. The cost to that employer for just those five people, at minimum wage, cumulatively with all the taxes and other costs associated, is over \$16,000 a year. This doesn't sound like a lot but that means that business person with five employees, he's going to have to come up \$16,000 more every year. He can't raise his prices otherwise he would have already done so. Marginal small businesses who use minimum wage employees, are not exactly your boot ship companies. What you are going to cause them to do is say it's just not worth it. They're either going to lay off one or two of their employees or they're just going to close shop like many other companies and businesses have in Hawai'i.

"There is a right time to do it, Mr. Speaker, this is not the time. We're in our tenth year recession and this only makes matters worse. Thank you."

Representative Stegmaier then rose to speak in opposition to the measure, stating:

"What I'd like to say is that the measure wouldn't provide a living wage to anyone in Hawai'i. Committee testimony that I've read -- I wasn't in the Committee, but I picked up some testimony from the Committee -- indicate that a living wage might be \$17.00 an hour. Even the \$9.50 that was in one bill would not have provided a living wage. Lawrence Boyd, the Labor Economist for the Center for Labor Education, said that fewer and fewer people in Hawai'i are paid only the minimum wage because the market demands more. He provided information that around 60 percent of the workforce earns an

hourly wage, but of that total just three percent including one percent of all small business owners are paid a minimum wage.

"I agree with previous speakers that have mentioned that the only way to provide a truly living wage for the people and workers of Hawai'i is to bolster the earned income tax credit. I think that is the approach that we should take rather than this approach. Thank you."

Representative Catalani then rose to speak in support of the measure, stating:

"I appreciate the different opinions of the previous Representatives and I appreciate the concerns brought in regard to the businesses who would be paying this pay increase. Just to address the increase of \$.50 for this minimum wage. I would just like to point out that some states have a higher minimum wage than Hawai'i. Western States of Oregon, Washington, California, Alaska, as well as the District of Columbia, Connecticut, Massachusetts, Vermont, Delaware and Rhode Island, they all have a higher minimum wage currently than Hawai'i's minimum wage.

"Also laws in 22 jurisdictions link changes in the state rate of minimum wage to changes in the highest minimum wage under the federal law. In Alaska, Connecticut and the District of Columbia, the minimum wage rises above the federal rate by a fixed differential on a continuing basis so that their legislatures don't have to continually look at this particular measure.

"In addition, one of the compelling reasons to raise the minimum wage is just to state that increasing the minimum wage would reduce the reliance on government subsidies and would minimize additional appropriations for financial assistance benefits such as the welfare benefits. The current minimum wage of \$5.25 per hour, and that's a full time worker, is approximately \$727.00 per month. This is only slightly higher than the financial assistance benefits for a family of three which is \$712.00 a month.

"The proposed increase would net a full-time worker approximately \$900.22 a month. This is still not enough to provide all of the necessities of life for a family. I believe that this particular increase in the minimum wage is needed for our workers, families and especially for heads of households, women primarily, so that we can help them get off of financial assistance and into a better way of life boosting their self esteem. Thank you."

Representative McDermott then rose to speak in support of the measure, stating:

"Two years ago, I stood here and spoke against this measure, but clearly now is the time. This is artificially low. Nobody pays \$5.25 an hour. Jack-In-The-Box, McDonald's all those places offer \$6.50 to \$7.00 an hour.

"Mr. Speaker, the only people this will affect is government, it will get us in line with the private sector. It's just too low and I can't begrudge anybody. Now is the time to raise this thing, nobody even offers it. You go to Jack-In-The-Box they offer \$7.00 an hour, they don't even offer \$5.25. They have a hard enough time getting people to come in to do that. You know, economics is not a science. That's why you have economist with two hands. On one hand it's this and on the other hand it's that.

"Two years ago, I didn't think it was the time, but now it is the time. We've waited two years and this is a very, very modest and reasonable bill. Very modest and I will conclude with that."

Representative Yoshinaga then rose to speak in support of the measure, and asked that the remarks of Representative McDermott be entered into the Journal as her own, and the Chair "so ordered". (By reference only.)

Representative Yoshinaga continued, stating:

"I think we need to deal with an issue that is troubling to us all, in terms of preserving the dignity of workers with a minimum standard of living. I'm just going to read here in rebuttal to our Minority Leader's statistical comments and this information was provided to our Labor Committee from the Department of Labor and Industrial Relations. Because this is an issue for small business I would like to have this data recorded into the Journal for the members' consideration.

"The reason that the minimum wage increase is necessary is, basically, that according to the data provided by DLIR the last increase in Hawai'i's minimum wage was in 1993. Therefore, taking into account the erosion of the dollar as well as inflation, the increase of 50 cents today would just be, frankly, an adjustment to keep up with inflation.

"As you are aware, Mr. Speaker, our bill defers the 50 cents increase for two years to the year January 1, 2003. We are sensitive to the needs of our small businesses and we were unwilling to increase nine percent labor cost in one year to give them time to prepare. Furthermore, statistics indicate that approximately 3.5 percent of Hawai'i's workforce or 19,000 employees are minimum wage workers who will be affected by this increase. According to this report, contrary to popular opinion, the average worker who is paid minimum wage is not just teenagers flipping hamburgers. Actually only 17 percent of minimum wage workers in Hawai'i are under 18 years of age. More than 80 percent are adults, which was a surprise to this Chair.

"In Hawai'i, almost two-thirds, which is 66.33 percent of the minimum wage workers, are female in the 33-54 age group, over 90 percent are female. According to national statistics the last time the federal minimum wage was increased the average minimum wage worker brought home 51 percent of his or her family's weekly earnings.

"I'd just like to address this last point, which I believe is important to state for our business community. Each time an increase is proposed, the standard criticism is that it raised employers costs and prices low wage workers out of the market. This forces employers to lay off workers when the increase takes effect. According to their data, each year following an upward adjustment in the minimum wage, except in 1975 which was a recession year, employment actually increased. The Minimum Wage Study Commission concluded that a 10 percent increase in the minimum wage would reduce teenage employment by as little as one percent and have the most serious impact on adult employment.

"In closing, Mr. Speaker, as this bill moves through this body, basically what we did was we took a look at the existing data for Hawai'i, because this is Hawai'i specific as well, that our gross State product has been increasing at two to three percent a year. So, frankly a nine percent increase in two and a half years would not be out of line in the increase in keeping up with our growth in our economy as well as the fact that labor and negotiations have increased under collective bargaining an average of three percent per year for collective bargaining contracts for the last five years. Thank you, Mr. Speaker."

Representative Espero then rose to speak in support of the measure, stating:

"For those of you who are voting against the bill, when was the last time you made \$5.25 an hour? When was the last time you made \$5.75 an hour? We're talking less than \$1,000 a month. And who is this going to help? It's going to help that single mother with two or three children. It's going to help that immigrant father with a family of four or five. It's going to help that 40 year old man who just got his GED. It's going to help the elderly couple who are struggling to make it on a limited income.

"What makes this even more amazing is that this bill is not going to take effect until 2003. If businesses are not able to prepare for the next two and half years for this increase, then those business people better rethink their business plan. I think I'd be embarrassed if I didn't vote for this bill. Thank you."

Representative Pendleton then rose to speak in rebuttal, stating:

"Mr. Speaker, again, in opposition to this way of helping the people we're trying to help. Opposition to the fashion and manner in which we're trying to help them. We do want to help the immigrant father. We do want to help the single mother who is struggling. We do want to help the elderly couple that is struggling. But the best way to do that is through the earned income tax credit which looks at the income and doesn't just assume that everyone earning a wage is the only wage earned, or their primary wage earned."

"It looks at the actual dollars that they're making and says is this the son of a physician and he's just in summer school, Punahou is out and he's working flipping burgers? Or is this someone who really needs this? Is this the immigrant father? The earned income tax credit can attack that problem and address it in a much more efficient manner. Is this the single mother who needs help? The earned income tax credit can address this in a much more effective and targeted manner. Is this the elderly couple struggling? Effectiveness is the issue."

"Now one of the speakers said that 'well this is such a small amount that it really hardly even compensates for inflation and the diminishment in the strength of the dollar' and it's so far in the distant future that we can prepare for it. Well if it's so 'manini' then it's not going to really even help the people that we're trying to help. It will add a burden to our small businesses. It's not going to help the people we really want to help. All the more reason why we should go with the earned income tax credit effort."

"The second reason why I continue to oppose this is the fairness. Again, we want to help these people, that's a good and noble cause. We're taking the most ineffective way to try to help them. We aren't looking at their overall income and we don't care whether they are a doctor's child flipping burgers or whether they truly are needy. We aren't going to look at that. We are going to give all these people on minimum wage the same increase. We are just going to go and take the shotgun approach and go across the board. Is it fair then to put this burden on the employer?"

"If we all care about the needy, shouldn't this be a burden borne by all taxpayers across the board and not just small business. Why are we saying that this is a burden that has to be borne by only a small sliver of taxpayers in the State. What is that sliver? The small business employer. We're saying that this is the only way that we can possibly help these people by taking the most ineffective manner and ineffective way of helping the needy, and we put it so far in the future with an amount that is so 'manini' that it probably wouldn't even help them."

"Then we put that burden on a small sliver of taxpayers when we could, through the earned income tax credit, have it spread across all taxpayers. This is something we all have interest in. We all have the interest in helping those people. So we all should bear this burden. The earned income tax credit allows us to spread that burden, not just among one particular taxpayer, the small business owner, but it allows us to spread it across the board. And again, we have a bill for that matter and if we are truly concerned then we ought to beef up the figures in this other bill. We should not tinker around with this. We say it's hardly going to be burdensome, well then it's hardly going to help the people we truly want to help."

"For those reasons, again, I stand opposed to this particular fashion and this particular way of trying to help these needy people."

Representative Rath then rose to speak in rebuttal, stating:

"When you talk about the statistics that point out that a lot of these people are adults, that's true. Now let me tell you where they work. They work for non-profits, that's where they work. The people who are disabled or don't have the abilities like other people, and guess what non-profits cannot raise prices. They just simply lay one or two of them off to pay the rest."

"Additionally, I think it's been lost here. It's not that we're just talking about those people, we're talking about the ratcheting effect. It's like lifting the bottom rung of the ladder. If you lift the bottom rung everybody else's go up."

"So the person that goes from \$5.25 to \$5.75 will eventually lead to the person who's making \$5.75 to go up by 50 cents to \$6.00 and it goes on and on. The worker making \$10.00 an hour, he wants his 10 percent raise which will bring him to \$11.00. So it has a ratcheting up effect and it becomes the causal area for people going in and saying I want my pay raise too."

"So you can't just look at it under a microscope. When we quote statistics, we have to look at the real life realities of who really is affected. I know many people in Kona that work for non-profits that wouldn't be employed any place else. And indeed those people, if they get a raise, a couple of them are going to be not working anymore and I think that's wrong. Thank you, Mr. Speaker."

Representative Stegmaier then rose to speak in rebuttal, stating:

"I want to quote very quickly from Alan Greenspan, someone who has thought a lot about our economy and what works. He says, that 'we have to be very careful about thinking that we can somehow raise standards of living by mandating increases in the minimum wage rate.' This is not an answer to a problem that we have with mandating that people move from welfare to work. Minimum wage is not the answer. We're going to have to take this a lot more seriously than that. Thank you."

Representative Goodenow then rose to speak in support of the measure, stating:

"This reminds me of the national level when President Clinton proposed a minimum wage increase and all the naysayers, at that time, said this was just going to drive the economy down. Yes the economy was struggling, at that time, but he raised it and the doom and gloom that was forecasted did not materialize. I think we need to take a careful look at what really is the reality behind raising the minimum wage. Thank you."

Representative Meyer then rose to speak in opposition to the measure, stating:

"I think the figure of 3.5 percent of the working people earning minimum wage is kind of telling. We have the 20 percent that are under the age of 18. We are a resort area. We have many, many restaurants in our hotels and it would be interesting to see the percentage of what's left here, which is about 12,000 people, are restaurant workers who would be added into the minimum wage workers, but they are in fact earning anywhere from \$15 to \$20 an hour."

"I couldn't say anything better than our Minority Floor Leader did. I think EITC is the way to help people, especially single mothers who are just getting into the workplace, that is the way to help them and not hurt our employers, small businesses. I can't think of a single small business person who

is in favor of this because even if they are paying more than the minimum wage, once we pass the law that puts the pressure on them to raise the income of the people that they have working for them at present, the taxes they owe on the wages would just cause a spiral effect.

"We are just crawling out of this recession that we've been in and even though I am pleased that the Chairman of Labor has got a date that's out there to 2003, still this is not something that our economy needs at this time. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2984, HD 2, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," passed Third Reading by a vote of 41 ayes to 8 noes, with Representatives Leong, Marumoto, Meyer, Pendleton, Rath, Stegmaier, Thielen and Whalen voting no and Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 856-00 and H.B. No. 2578, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2578, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Marumoto rose in opposition to the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Marumoto's remarks are as follows:

"Mr. Speaker, I rise to speak against this proposed raid on the Natural Area Reserve Fund. On the specific substantive issue addressed in the measure, I believe that transferring dedicated conservation funds to the General Fund is not in the public's best interest.

"Programs administered by the Division of Forestry and Wildlife are seriously under-funded. The Division is charged with recovering hundreds of threatened and endangered species the longest list of any state in the union, but does not have sufficient resources to do so. They must also protect and manage a million acres of forest reserve and native ecosystems on a shoe string budget. NARS budget has decreased consistently over the past five years, yet the system contains some of the best native Hawai'ian ecosystems and species habitats remaining on ceded lands.

"There is a larger issue here, too, Mr. Speaker. That's the shell game of moving money in and out of special funds to deal with general fund shortfalls.

"What kind of convoluted budgeting scheme has us, in another measure, putting a tax on water to build up a special fund for environmental cleanup while in this measure were scooping up money meant for a similar purpose and dumping it into the general fund so we can balance the general fund budget?"

"I'd like to quote from the blue justification sheet on the back of the original administration bill:

'In anticipation of the State experiencing serious fiscal pressures due to annual expenditures exceeding annual revenue, the Administration has been looking into making fundamental and sweeping changes in state government in order to bring expenditures in line with revenues.'

"Mr. Speaker, this is no sweeping change. This is robbing Peter to pay Paul, when the real truth is that Paul in this case state government - - has made precious little effort to cut spending and live within its means."

Representative Espero then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2578, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL AREA RESERVE FUND," passed Third Reading by a vote of 32 ayes to 17 noes, with Representatives Auwae, Catalani, Fox, Halford, Kahikina, Kaho'ohalahala, Lee, Leong, Luke, Marumoto, Morita, Moses, Pendleton, Rath, Schatz, Thielen and Whalen voting no and Representatives Okamura and Souki being excused.

Stand. Com. Rep. No. 857-00 and H.B. No. 2733, HD 1:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2733, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Kaho'ohalahala rose to speak in support of the measure with reservations, stating:

"First, I want to thank the sponsor of this bill, Representative Saiki, and his desire to help the Hawai'ian people in introducing a vehicle for resolving the claims that plague them.

"I rise with reservations because I feel that the issue of the individual claims compensation commission is one that must be resolved in fairness to the claimants. I am not sure, Mr. Speaker, that this bill as it's currently drafted accomplishes that. I do know that there are many other things that we could be doing to resolve this issue for claimants in a fair manner.

"First, we could appropriate the \$16.4 million originally appropriated to compensate those claimants who completed the claims process. We have spent the better half of this session discussing and dedicating funds to the needs of tourism and other industries. Working to change the rules to better accommodate their needs. As an example to the State's priorities, the Hawai'i Tourism Authority, in September 1999, awarded a contract that spends \$38 million annually on promoting Hawai'i as a vacation destination for Japan.

"Now surely, if we can provide the HTA with such an enormous budget for one of its objectives, we can satisfy our trust obligations to Hawai'ian people, who believe in the process that we the Legislature set up for them to seek redress over eight years ago. If we cannot find it in our hearts to make right with those that receive claims settlement recommendations then the least we can do is to make it possible for them to seek redress through the court system.

"As many of you know, the claimants felt that their only recourse was a class action suit when the Legislature failed to act on the recommended settlements and the overriding of the Governor's veto which sought to extend the life of the claims panels process. I believe that if we have the will, we can and we will, utilize the vehicle in H.B. 2733 to affect a fair and decent course of action for the claimants. Lord knows they have waited long enough for justice. Thank you."

Representative Pendleton then rose in opposition to the measure and asked that the remarks of Representative Kaho'ohalahala be entered into the Journal as his own, and the Chair "so ordered". (By reference only.)

Representative Pendleton continued, stating:

"A number of people spoke out in opposition to this measure when it was before the House Judiciary and Hawai'ian Affairs Committee on which I serve. Let me just read the listing of people who were opposed and it would be surprising to you. My opposition is not because I'm anti-Hawai'ian, but it's because I care so much about the Hawai'ians. I am speaking in opposition because of the testimony we have received in the Judiciary hearing.

"Those in opposition to the bill were the following: State of Hawai'i, Department of Commerce and Consumer Affairs; Office of Hawai'ian Affairs; Common Cause Hawai'i; Consumer Lawyers of Hawai'i; League of Women Voters; the Native Hawai'ian Legal Corporation; State Council of Hawai'ian Homestead Association and numerous concerned individuals. Now this measure has gone through some permutations and some evolution, but the concern expressed by people very close to the Hawai'ian and Native Hawai'ian community was that there is a best way to do it and this bill doesn't do it.

"There are other things that we should've done and the previous speaker alluded to some of those more optimal solutions. This bill doesn't do it, but it does keep alive a vehicle which could potentially become dangerous in the future. So their urging was that it was better not to have any bill at all and just allow the Judicial system to proceed so that they can receive justice.

"Mr. Speaker, my heart goes out to the Hawai'ian community because the State of Hawai'i and our predecessors have failed them. We let them down. We didn't do what justice required and maybe our forefathers didn't have the foresight to see what they were doing. Maybe they didn't have the courage to stand up. We need to do what is right. This bill doesn't go nearly far enough in terms of what we need to do to bring what is pono to this group of people here in Hawai'i, the original inhabitants. Because of groups like the Native Hawai'ian Legal Corporation and others very close to the Hawai'ian community continuing to voice opposition. If you just read the standing committee report from the Finance Committee, again they reiterate their opposition. Even though the terms of the bill aren't necessarily harmful it's the fact that it didn't do what it should've done and they rather have no vehicle around than this vehicle.

"For those reasons, I oppose having this bill around. Thank you, Mr. Speaker."

Representative Catalani then rose and asked the Clerk to register an aye vote with reservations for her and asked that the remarks of Representative Kaho'ohalahala be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Auwae then rose and asked the Clerk to register an aye vote with reservations for her and asked that the remarks of Representatives Kaho'ohalahala and Pendleton be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Thielen then rose and asked the Clerk to register a no vote for her based upon the comments from the colleague from Lanai, and the Chair "so ordered."

Representative Saiki then rose to speak in support of the measure, stating:

"Mr. Speaker, I will submit that the larger issue that is implicated by this bill, which has been made more compelling due to the recent United States Supreme Court decision, is how our entire community can remedy interracial justice grievances and redress historical wrongs which have occurred in our State.

"This bill stems from a two year attempt at being a final resolution for 2,752 individuals who filed claims for the State's breach of its duty to properly administer and award homesteads between 1959 and 1988. These claims were filed pursuant to Chapter 674 which the Legislature enacted in 1991. Very generally, Chapter 674 created an administrative process to adjudicate claims and issue awards. But as we can see in hindsight, Chapter 674 was fundamentally flawed for several reasons.

"One of them was significant being that it did not guarantee the timely processing of the claims. The Individual Claims Review Panel was initially scheduled to end after four years, but for various reasons was extended for an additional four years. Last year, the Legislature extended the review panel for its ninth year but the Governor vetoed our bill. For further clarification, I would briefly cover the disposition of all of the claims that were filed with the panel.

"There are 2,752 claimants and over the eight year period of time the panel recommended that 470 individuals receive awards. The panel determined claims lacked merit and dismissed 874 and the panel did not adjudicate the remaining one half or 1,376 individuals. As a result of the Governor's veto, the claimants elected to file lawsuits a few months ago in December.

"At the outset, the claimants will face several significant hurdles. For example, it is not clear whether they have a right to sue. Even if there is a right to sue, their class action may not be certified. Even if the class is certified the claimants face evidentiary and procedural standards which are much more stringent than the ones imposed at the administrative level.

"This means the claimants will be required to prove the State's liability and the extent of their damages even if the wrongful conduct occurred forty-one years ago in 1959. The plaintiff's attorneys themselves recognized these hurdles and has suggested that if they do not prevail in court they may return to the Legislature for relief.

"The purpose of this bill, as originally introduced, was to propose that a reparations process be created to adjudicate and distribute awards to all successful claimants within a two year period. The reparations model is increasingly recognized internationally as a means to compensate individuals for historical wrongs. Germany has begun one to compensate World War II veterans. Africa is seeking reparations for enslavement and colonization of African people. The United Kingdom has begun a reparations program, and more close to home Congress approved one in 1991 for Americans of Japanese ancestry who were interned during World War II.

"It should be noted that the federal process was in place for ten years, between 1988 and 1999. During that time the Office of Redress Administration identified, located and compensated over 82,000 claimants.

"The purpose of this measure, as amended, is merely to provide a vehicle in the event the parties are able to resolve this matter before the end of session. There are some professional advocates in the community who characterized this bill, both in its original and amended forms, as harmful. But it is only fair that members of this body ask whether a prolonged litigation process, complete with appeals, is in the best interest of all 2,700 claimants. Particularly for the elderly claimants, the 900 claimants that were dismissed at the administrative level and who now face higher evidentiary standards in court and the 1,376 claimants who are not even adjudicated by the review panel.

"This bill like its virtually identical counterpart is a vehicle that will be in place in the event that the parties are able to reach a mutual remedy. Well intentioned, I believe, it is disingenuous for professional advocates to represent it as anything more. Looking beyond this bill and the underlying lawsuits, I hope that these professional advocates will see that complete justice cannot be realized in opposition and it may take the participation of our entire community to redress these historical wrongs and to make those of Hawai'ian ancestry whole once again. Thank you."

Representative Kawakami then rose and asked the Clerk to register an aye vote with reservations for her and asked that the remarks of Representative Kaho'ohalahala be entered into the

Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Morihara then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

Representative Espero then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2733, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOME LANDS TRUST," passed Third Reading by a vote of 32 ayes to 17 noes, with Representatives Ahu Isa, Arakaki, Fox, Goodenow, Halford, Kahikina, Luke, Marumoto, Meyer, Morita, Moses, Pendleton, Rath, Schatz, Takumi, Thielen and Whalen voting no and Representatives Okamura and Souki being excused.

At 6:43 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 6:43 o'clock p.m.

The Chair directed the Clerk to note that H.B. Nos. 2753, 2391, 1949, 2803, 3016, 2539, 2123, 2984, 2578 and 2733 had passed Third Reading at 6:45 o'clock p.m.

At 6:45 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

Upon reconvening at 6:46 o'clock p.m., the Speaker assumed the rostrum.

Stand. Com. Rep. No. 858-00 and H.B. No. 1759, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 1759, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Marumoto then rose to speak in support of the measure with reservations, stating:

"My concerns are with these machines that we're going to start implementing are really awesome money makers. But the bottom line is very good because the intent is to curb speeding. But I think we brought a technological monster that can photograph two violations a second and that is a lot of speeding and red lights.

"The Department of Transportation assured me that there would be warning signs far ahead of the cameras so that drivers would slow down and they would know that big brother was waiting ahead. But most of these cameras are planned for Oahu and the Oahu money would be going into the Highway Fund and the excess of the \$5 million dollars would go into the general fund. I just kind of protest all of this Oahu money going into State coffers to be spent Statewide.

"My concerns are great but these devices will increase safety so I will be voting for this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1759, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC ENFORCEMENT," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 859-00 and H.B. No. 1877, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1877, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INFORMATIONAL PRIVACY," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 860-00 and H.B. No. 1944, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1944, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SERVICE COMPANY TAX," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 861-00 and H.B. No. 1946, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1946, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY CONSERVATION," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 862-00 and H.B. No. 2472, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2472, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 863-00 and H.B. No. 2760, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2760, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE COLLEGE SAVINGS PROGRAM," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 864-00 and H.B. No. 2739, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2739, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," passed Third Reading by a vote of 34 ayes to 3 noes, with Representatives Catalani, Takai and Takumi voting no and Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 865-00 and H.B. No. 2618, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2618, HD 2, entitled: "A BILL FOR AN ACT RELATING TO REPEAT INTOXICATED DRIVERS," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 866-00 and H.B. No. 2034, HD 2:

Representative Case moved that the report of the Committee be adopted and H.B. No. 2034, HD 2, pass Third Reading, seconded by Representative Yonamine.

Representative Moses rose to speak in opposition to the measure, stating:

"I rise to speak in opposition to H.B. 2034, a measure that provides that excise taxes on cigarettes should be imposed and collected through the use of stamps purchased by licensees.

"Mr. Speaker, while this measure proposes to control black market cigarette sales, it actually places an additional tax on cigarettes. This bill requires virtually every business or individual that sells cigarettes to become a licensee and thus pay an additional fee to the State for the mandated use of cigarette tax stamps to place on their merchandise. Not only that, it creates a stamp bureaucracy in the form of the manufacturer on distribution of tax stamps as well as creating a stamp tax enforcement agency similar to those established during prohibition.

"Like prohibition, the more taxes or restrictions that are placed on an item, and the more you rigidly enforce those higher taxes the more likely the normally law abiding citizens will find ways to circumvent the law. Abhorrent as cigarettes may be, it is equally abhorrent that we should have to create new taxes and expand the already vast bureaucracy and create a stamp tax gestapo to enforce a penny ante tax collection problem.

"The ingredients in a pack of cigarettes costs approximately a dime. The retail cost of a pack is now \$4.00. To continually raise cigarette tax, no matter how subtle, the more you encourage your illegal and black market activities, the very thing this bill claims to have. Therefore, I urge my colleagues to vote no on this transparent measure to increase cigarette taxes and allow the existing bureaucracy to enforce the laws as they now stand. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2034, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 33 ayes to 4 noes, with Representatives Auwae, Meyer, Moses and Rath voting no and Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

Stand. Com. Rep. No. 867-00 and H.B. No. 2424, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2424, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," passed Third Reading by a vote of 37 ayes, with Representatives Ahu Isa, Arakaki, Cachola, Chang, Espero, Fox, Hiraki, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

The Chair directed the Clerk to note that H.B. Nos. 1759, 1877, 1944, 1946, 2472, 2760, 2739, 2618, 2034 and 2424 had passed Third Reading at 6:51 o'clock p.m.

THIRD READING**H.B. No. 2635, HD 1:**

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2635, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 41 ayes, with

Representatives Arakaki, Cachola, Fox, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

H.B. No. 2809, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2809, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Third Reading by a vote of 41 ayes, with Representatives Arakaki, Cachola, Fox, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

H.B. No. 2310, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2310, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF RESIDENTIAL CONDOMINIUM APARTMENTS TO OWNER-OCCUPANTS," passed Third Reading by a vote of 41 ayes, with Representatives Arakaki, Cachola, Fox, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

H.B. No. 2477, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2477, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 41 ayes, with Representatives Arakaki, Cachola, Fox, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

H.B. No. 2716, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2716, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Third Reading by a vote of 41 ayes, with Representatives Arakaki, Cachola, Fox, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

H.B. No. 2152, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2152, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUNTING," passed Third Reading by a vote of 41 ayes, with Representatives Arakaki, Cachola, Fox, Kahikina, Morihara, Okamura, Saiki, Schatz, Whalen and Yamane being excused.

The Chair directed the Clerk to note that H.B. Nos. 2635, 2809, 2310, 2477, 2716 and 2152 had passed Third Reading at 6:52 o'clock p.m.

H.B. No. 2073, HD 2:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2073, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

H.B. No. 1914, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 1914, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPREHENSIVE SCHOOL REFORM," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

H.B. No. 2451, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2451, HD 1, entitled: "A BILL FOR AN ACT RELATING TO A REPAIRS AND MAINTENANCE SPECIAL FUND," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

H.B. No. 2597, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2597, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

H.B. No. 2598, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2598, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTEGRATED TAX INFORMATION MANAGEMENT SYSTEMS ACQUISITION BY THE DEPARTMENT OF TAXATION," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

H.B. No. 2605, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2605, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION APPEALS," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

H.B. No. 2624, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2624, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Third Reading by a vote of 45 ayes, with Representatives Arakaki, Fox, Kahikina, Okamura, Whalen and Yamane being excused.

The Chair directed the Clerk to note that H.B. Nos. 2073, 1914, 2451, 2597, 2598, 2605 and 2624 had passed Third Reading at 6:54 o'clock p.m.

H.B. No. 2946, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2946, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2542, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2542, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE STATE'S MEDICAID HOME AND COMMUNITY BASED SERVICES FOR THE DEVELOPMENTALLY DISABLED OR MENTALLY RETARDED PROGRAM," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 1925:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 1925, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2633, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2633, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2314, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2314, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2316, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2316, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2473, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2473, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos. 2946, 2542, 1925, 2633, 2314, 2316 and 2473 had passed Third Reading at 6:55 o'clock p.m.

H.B. No. 2476, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2476, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 46 ayes to 1 no, with Representative Leong voting no and Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2484:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2484, entitled: "A BILL FOR AN ACT RELATING TO THE CORPORATIONS," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2349, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2349, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2095:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2095, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2490, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2490, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TEACHER STANDARDS BOARD," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

H.B. No. 2495, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2495, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Kahikina, Okamura and Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos. 2476, 2484, 2349, 2095, 2490 and 2495 had passed Third Reading at 6:56 o'clock p.m.

H.B. No. 1788:

Representative Case moved that H.B. No. 1788, pass Third Reading, seconded by Representative Yonamine.

Representative Souki rose to speak in support of the measure with reservations, stating:

"This is a very good bill. And it is something we need to pass and certainly Waikiki needs it. The tourism infrastructure in Waikiki needs a lot of help, and I think a bill like this can help. However, I believe that the amount of exemption such as the 4 percent tax will not be sufficient to provide an enticement for the major resort areas to get into large expenditures. The feeling I have is that it won't be enough. So in the course of the bill moving over to the Senate and Conference, hopefully we can get the parties to agree to increase this, including the one on the fifth floor. Thank you very much, Mr. Speaker."

Representative Ahu Isa then rose to disclose a potential conflict of interest, stating:

"The company I work for is involved in a huge renovation project in Waikiki," and the Chair ruled "no conflict."

The motion was put to vote by the Chair and carried, and H.B. No. 1788, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2024, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2024, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE LEGISLATIVE AGENCIES," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2537:

Representative Case moved that H.B. No. 2537, pass Third Reading, seconded by Representative Yonamine.

Representative Catalani rose to speak in opposition to the measure, stating:

"I oppose this measure relating to the State Hospital. Before I state my opposition I must say that I am not opposed to providing a funding to the State Hospital. If I knew what the Department of Health bought with this expenditure or what the State Hospital's plan was for it in more concrete terms.

"I am opposed to providing this money without knowing what the Department of Health purchased for its community based services. Although I met with Department of Health officials several times and tried to get information regarding the programs, including the community programs, it was without success.

"What I did find out was that the Department of Health and State Hospital have implemented a plan to accelerate the release of the patients or clients to their families who unfortunately do not have the ability to care for their ill family member.

"In fact, in one recent case a former patient harmed several innocent lives when his family was unable to care for him as he sped down the wrong way of the H-1 freeway. Consequently, the Department of Health planned to take back any of these patients within 30 days of release for a short period of time before re-released back to their family. This action I contend is not a workable plan for the State Hospital. I would not object to, or oppose providing funding to the Department of Health if they had a plan.

"However, I would like to see that plan first and believe that the Federal Court would also like to plan to mediate the State Hospital and not just the community services before releasing it from an intending court monitor. I would also like to state on behalf of my constituents, who do live near the State Hospital, who have a concern about their own safety, since many of these rapid release patients are returning back to where they think the State Hospital was, but it is now a residential community. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2537, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE ADULT MENTAL HEALTH DIVISION," passed Third Reading by a vote of 47 ayes to 1 no, with Representative Catalani voting no and Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 1843, HD 1:

Representative Case moved that H.B. No. 1843, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"Domestic violence is a pervasive problem, and one with a high rate of recidivism. In order to decrease the numbers of domestic violence incidences, it is important for us to focus on the victim, and what measures she should take that would prevent the abuse from occurring again. A good way to break the cycle of abuse is for the victim to become familiar with and acquainted with the various community support groups that provide aid to victims.

"The only way to encourage the victim to utilize these community resources, is to ensure her that her well-being is not in question.

"24-hours is a grossly inadequate amount of time in which a victim can both receive physical treatment if needed, and then counseling support. The additional 24-hour hold will allow the

victim to take advantage of the resources available. 24 hours is just barely enough time to allow a victim to find a safe haven; it is certainly not enough time to reach a secure location and begin to explore community services that may be available.

"There are many wonderful groups in the community with caring and dedicated workers, and it is often a lost source of aid and comfort to victims because there simply is not enough time. Women who have abusers arrested often fear retribution following a release from jail. Those 24 hours are truly spent trying to reach a safe and secure location. The community services offered to them under current law are often luxuries, because time does not allow for them.

"I urge that this measure be passed. By doing so, we may be able to finally stop the cycle of abuse. By putting victims in touch with counseling services, we are taking that first step."

The motion was put to vote by the Chair and carried, and H.B. No. 1843, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2151, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2151, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2261, HD 1:

Representative Case moved that H.B. No. 2261, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Santiago rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Santiago's remarks are as follows:

"Mr. Speaker, I strongly support H.B. 2261, HD1. This bill will formalize the existence of the Volunteer Services Office, which has supported efforts around the State since the early 1980s.

"Volunteerism is the sharing of responsibility by citizens for the wellness of their communities. It is growing twice as fast as either business or government.

"Volunteerism has a huge economic impact that often goes unnoticed because these services are not in anyone's budget. Volunteers claim no compensation or benefits.

"Volunteers often lead the way. They are focused on the goal to be reached, not on counting the house, overtime or vacation time.

"They think of ways to get the job done efficiently while having fun. When treated with respect, they return the favor.

"Those who utilize volunteers and those who volunteer themselves need an office like our State Volunteer Services, which is a source of information, training, networking and encouragement.

"This office connects government, educators, students, elders, businesses, nonprofits, communities of faith, and individual citizens in working together for the betterment of our communities, State, and nation.

"Let us all support making State Volunteer Services a recognized service for us all."

The motion was put to vote by the Chair and carried, and H.B. No. 2261, HD 1, entitled: "A BILL FOR AN ACT RELATING TO VOLUNTEER SERVICES," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos. 1788, 2024, 2537, 1843, 2151 and 2261 had passed Third Reading at 7:02 o'clock p.m.

H.B. No. 2407, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2407, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF AGRICULTURE," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 1807, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 1807, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC INFRACTIONS," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 1838, HD 1:

Representative Case moved that H.B. No. 1838, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Pendleton rose in strong support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Pendleton's remarks are as follows:

"Mr. Speaker, I rise in strong support of Standing Committee Report Number 653 and House Bill Number 1838, HD 1, regarding domestic abuse protective orders, especially the addition of a dating relationship definition and its inclusion under the family or household member classification.

"Mr. Speaker, I support this bill because the law must recognize the wide spectrum of people who are affected by domestic violence and abuse. Thus far, relatively successful protections have been afforded to victims in married relationships, both women and children. But up until now, the law has been specific to those in the married relationship while there are many suffering victims outside of the familial designation. I hope that this bill will not only broaden protective possibilities, but will also remind us of the actions that must follow its passing. We, as Representatives of the state, must be outspoken in our support of new methods of enforcement and prevention.

"Mr. Speaker, domestic violence has been and continues to be an affront to our moral sensibilities. It is a disease that afflicts Hawai'i in a very tangible and real way. In recent years, domestic violence and abuse were accountable for nearly a third of all homicides. Our shelters are full and the available hotlines are backed up with calls for help. Many married women are receiving help from our courts and our domestic violence organizations. However, victims in dating relationships are often left to their own devices while awaiting protection. Unfortunately, up until now, no law has afforded them priority among other cases on the court docket, and the time it takes to gain help may be enough to make them another homicide statistic.

"Mr. Speaker, in speaking with the domestic abuse hotline directors, I found that their phones are primarily receiving calls from unmarried victims and victims who are not connected to

their abusers by blood. But, according to them, most abused women have no idea that there is help out there. First time callers are always amazed at the first few legal steps that can begin to end their pain.

"Mr. Speaker, House Bill 1838, HD 1, is a very strong step in the right direction. Ultimately, prevention will require a combination of law, awareness and decisive action, but we are now looking at a bill, which could support those steps. I myself proposed a bill, giving dating victims the same protections as those of family and household, which has now fortunately become part of this bill. I am strongly in favor of its intended results.

"Mr. Speaker, in light of my own bill's concept and its additions, I want to thank my colleagues for passing House Bill Number 1838, HD 1, and would urge them to continue supporting Hawai'i's fight against domestic abuse and violence."

Representative Lee then rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"There are many compelling reasons to include 'dating relationship' in the definition of 'family or household member' for the purposes of obtaining a protective order.

"(1) If this measure is passed, it is the Family Court as opposed to District Court, that will have jurisdiction over these matters. Family Court has certain intervention powers that are not available to District Court judges. Family Court judges can mandate early intervention treatment of the respondent, and Family Court judges are better at recognizing the signs of abuse, than are the judges in District Court.

"(2) The standard of obtaining a protective order in Family Court is less onerous than the standard required in District Court. Family court will issue an order for protection upon a showing of a 'preponderance of the evidence' that harassment has occurred, whereas in District Court the judge must find 'clear and convincing' evidence.

"Recent research indicates that many teenagers are in abusive relationships, and in order to stop the abuse before it becomes a lifelong condition, the Family Courts are the best venue for dealing with the problem. With judges more familiar with the signs of domestic abuse, and the more lenient burden of proof, more of these abusive relationships can be halted by the issuance of the protective order.

"We need to send a message that we support a judicial system that forces on intervention. This measure, which will result in the early cessation of an abusive relationship (especially among the teenage population) will send such a message."

The motion was put to vote by the Chair and carried, and H.B. No. 1838, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE PROTECTIVE ORDERS," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 1845, HD 1:

Representative Case moved that H.B. No. 1845, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"This bill is key to ensuring victim protection. The police cannot protect the victim if they never receive the call.

"The Domestic Violence Clearinghouse and Legal Hotline indicate that this is a pervasive problem - one staff attorney's records show that it was a factor in 46 percent of cases handled.

"This is a much needed housekeeping measure, one that closes gaps in the current law. Currently, 'criminal tampering' does not cover the situation when an alleged perpetrator disables his own phone line. And a criminal case must already be pending in order for laws against intimidating a witness, hindering prosecution, or obstruction of justice, to apply.

"Hawai'i would be joining other states (Minnesota, California, and Illinois) that currently have statutes addressing this very problem."

The motion was put to vote by the Chair and carried, and H.B. No. 1845, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2625, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2625, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MINORS," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2634, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2634, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NO CANDIDATES FILED FOR AN ELECTIVE OFFICE," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

H.B. No. 2649, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2649, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NONCONSENSUAL COMMON LAW LIENS," passed Third Reading by a vote of 48 ayes, with Representatives Kahikina, Okamura and Whalen being excused.

The Chair directed the Clerk to note that H.B. Nos. 2407, 1807, 1838, 1845, 2625, 2634 and 2649 had passed Third Reading at 7:04 o'clock p.m.

H.B. No. 2732, HD 1:

Representative Case moved that H.B. No. 2732, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to speak in support of the measure with reservations, stating:

"Why are we passing statutes on something that is preventing a group of people from doing something? We put into the statutes that they can't give gifts. I don't understand the logic behind this. If you don't want to give gifts, don't give gifts. Why do we have to put it in the statutes is beyond me. Thank you, Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 2732, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COURT REPORTERS," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

H.B. No. 2572, HD 1:

Representative Case moved that H.B. No. 2572, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Yamane rose to speak in opposition to the measure, stating:

"This bill came out as an Administration bill to put the power of control back with the Department of Land and Natural Resources where it belongs. The way the bill is written is confusing, and in a round about way it seems to take away the power from DLNR from which this bill supposedly came. If you look at page 2 the bill says, 'the Department shall use the recommendation provisions of the Master Plan.' And on page 5 it says 'the council may approve recommended changes to the master plan.' So essentially this council can make changes to a master plan that DLNR must abide by.

"The other question that was brought up before was, subject to the approval of a lead agency that line is under 200D-3 and the title of that is 'Kaneohe Bay Regional Council', so I think it's fair to interpret that the lead agency would be the Kaneohe Bay Regional Council. I believe this bill puts in reverse what was intended and that's why I stand in opposition. Thank you, Speaker."

Representative Catalani then rose to speak in support of the measure, stating:

"This measure continues the community's input into the management of our natural resource, Kaneohe Bay. It removes language constituting an unlawful delegation of legislative authority to the Kaneohe Bay Master Plan or the Council. Second, it allows the Department of Land and Natural Resources more flexibility in implementing the Kaneohe Bay Master Plan as adopted by the Legislature in 1993.

"Third, it allows the Department of Land and Natural Resources to develop rules governing the activities in Kaneohe Bay to address its changing conditions. Four, it enables the Department of Land and Natural Resources to exercise its public trust mandate by providing public access to Kaneohe Bay by implementing a higher level of resource protection and reducing the potential navigational safety conflicts.

"And five, more for my constituents, this particular measure has been discussed a lot within the community, and I believe that the community believes that it still wants to provide input to the Department. And it is through this effort that they will continue to provide some guidance to the Department prior to its rulemaking. Thank you."

Representative Yamane then rose to speak in rebuttal, stating:

"My concern is that this input is controlled and that's not input that's not advising, that's control. If this private group wants to have control then they should be responsible for their actions. If we get sued, they should get sued. Thank you, Speaker."

Representative Meyer then rose to speak in opposition to the measure, stating:

"I have some very serious concerns with the way this bill has been amended in the form that it now exists and will be passed over to the Senate. While I was an original supporter of the concept of regional council, the Kaneohe Bay Regional Council, as its presently exists, has proven that the delegation of the ocean activities into the hands of the few voluntary citizens simply does not work. It's very problematic.

"The Council and it's long range planning committee represent a small group of like minded persons who are not representatives of the community at large. This bill does little

to change this problem. On the one hand the bill eliminates the Council's power to amend the plan, but the damage has already been done as the master plan was revised with the Council's changes in October of 1999. The report was to come to the Legislature, but, as yet, it has not arrived.

"In addition, the bill still requires DLNR to draft all rules for the Bay in consultation with the Council and in accordance with the plan. I took the liberty to discuss this amended bill with the Director of LRB. I was concerned with the changes on page two, where there is a great deal of underlined information, I'm not going to read it all because the hour is getting late. But it puts into the bill what would codify about 25 pages of the Kaneohe Bay Master Plan.

"When I was elected in 1994, I was not provided with the Master Plan and I would be interested to know how many of the members here, of course I can't ask at this time, but I am sure many, many of the members do not have a copy of the Kaneohe Master Plan to refer to. On line 4 of page 2 it says, we are talking about the rules that would be implemented by the recommendations of the Kaneohe Bay Master Plan and adopted in accordance with Chapter 91, all rules should be drafted following the criteria and general management concepts set forth in sections 4.9 and 4.10 of the Master Plan. This is the Master Plan. By those two sections 4.9 and 4.10 that constitutes 25 pages of this Master Plan. If this bill were passed in this form that would codify those 25 pages into law. I think it is a very dangerous thing to pass statutes referring to another document that is not a law.

"Finally, although this bill seems to have eliminated an unlawful delegation of legislative authority by giving the Council power only to recommend changes to the Master Plan, the bill creates another legal problem by requiring the DLNR to consult with the Council in adopting rules for the Bay and providing that if a conflict between Section 200-39 and administrative rules under Chapter 91 occurs, Chapter 91 prevails.

"Although I am not a lawyer, it seems to me that it is unlawful to allow an administrative rule or procedure to prevail over the law. At the very least, it seems to be a violation of the separation of powers between the executive and legislative branches of government. Thank you, Mr. Speaker."

Representative Takumi then rose to speak in support of the measure, stating:

"This Legislature is well aware in 1990 the Legislature developed a task force to develop a plan for Kaneohe. And after 21 public meetings within a course of a year and a half, the Task Force completed the Master Plan and submitted it to the Director of the Office of State Planning who formally accepted it on March 19, 1992.

"The Kaneohe Bay Master Plan is a comprehensive community planning effort designed to preserve and protect the unique natural resource of Kaneohe while resolving conflicting use problems. So the Master Plan set forth specific locations for commercial operations and explicitly provided that the administrative rules implementing its provisions shall be promulgated by March of 93. But DLNR failed to do that, and in fact, we're in a situation where the DLNR says they will promulgate rules by the summer of this year.

"Mr. Speaker, anytime you engage or embark on community based decision making you're going to have growing pains. You're going to have people saying that any given group does not really represent the community. Mr. Speaker, I would assert that some people would say in our own districts that we do not represent them. That's the nature of the political process. But that doesn't take away from the very essence and the very premise of community based management, which I think we all support. That is to say that any given community

should have the ability to direct its own destiny and provide recommendations.

"In the bill on page two, 200-D3 where it enumerates what the Kaneohe Bay Regional Council and its general powers, duties and functions are, it states in Section 2, to 'review and periodically recommend changes to the Master Plan subject to the approval of the lead agency', which is the Department of Land and Natural Resources. You now put into law a section that says, 'review and periodically recommend changes to the Master Plan subject to the approval of' the very Council to which it alludes to. It just doesn't make any sense. The reference is to the Department of Land and Natural Resources and the bill also takes away what was perceived to be an unlawful delegation of authority.

"The power for that lies within the Board of Land and Natural Resources and the Legislature. Thank you, Mr. Speaker."

Representative Morita then rose to speak in support of the measure, stating:

"The problems with Kaneohe Bay were running parallel with what was happening in my community, Hanalei Bay. The problems stem from the community's decision to establish a hierarchy of uses. The priority was resource protection. The second was recreational use and the third was commercial use. What is happening right now is the commercial users are not honoring this hierarchy and, therefore, this conflict exists.

"This bill honors a community process and decision making. As the previous speaker said, this is not always a clean process, but it makes it more difficult when an agency, in this case the Division of Boating, does not honor the process or the community's wishes. So that's why this bill is very important. Thank you."

Representative Meyer then rose to speak in rebuttal, stating:

"The concern that the Representative from Hanalei brought up about the commercial activity, that has truly been pretty well put to bed. The only part of the Kaneohe Bay Master Plan that has been put into the law is this Section C of 200-39 which does spell out the commercial activity and that is in the law now. That is being carried forward as the Kaneohe Bay Master Plan. The problem with the Regional Council, as it exists right now, there is absolutely no representation for recreational users who use power boats. All their testimony just fell on deaf ears.

"Kaneohe Bay is unique and it is a protected body of water. There are very few areas like that and it's been for many years, at least 60 years, a very favorite place to water ski and for some reason there is supposed to be a balance. Planning organizations consider economic uses, recreational uses and environmental uses. This particular body makes mostly just the environmental. The recreational users have been left out of the equation. The commercial users have practically given up. DLNR would like to continue with the recreational use and the commercial uses. Many of the members of the original Task Force have made no secret that they would just like to phase out all commercial activity in Kaneohe Bay. DLNR needs commercial activity permits. The income of of those help to support small boat harbors.

"So you need to have the balance and DLNR has that understanding. I am very concerned that this Council does not. Someone said, if we don't do what they like, we don't always make our constituents happy. They can vote us out, but a Council like this that has been appointed, you cannot vote them out. So that's why I am against this."

The motion was put to vote by the Chair and carried, and H.B. No. 2572, HD 1, entitled: "A BILL FOR AN ACT RELATING TO KANEOHE BAY," passed Third Reading by a vote of 39 ayes to 11 noes, with Representatives Abinsay,

Espero, Goodenow, Herkes, Kanoho, Meyer, Nakasone, Rath, Souki, Whalen and Yamane voting no and Representative Okamura being excused.

H.B. No. 1912, HD 1:

Representative Case moved that H.B. No. 1912, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to speak in opposition to the measure, stating:

"This is the Catrala bill. If you take a look at the language on page 1 of the bill, it's extremely harsh. If there is damage to a rental motor vehicle, then what will happen is that the car rental company can charge the renter 80 percent of the loss of the use of the vehicle until it is repaired or replaced. That's so onerous, and the whole decision on how fast to repair the vehicle or replace it is up to the car rental agency. I don't know where this bill came from, but it seems to me that it is extremely anti-tourist, and I am not sure if it applies to everyone within the State as well.

"There is a paragraph in the Committee Report that says 'it's your Committee's understanding that Hawai'i's automobile policies will pay for the damages outlined in this bill if a Hawai'i insured damages a rental vehicle.' Number one, is that really correct? Number two, what does that do to the insurance rates within the State? It seems to be a very favoritism bill for the rental agencies. I think it's bad policy, and I really want to ask members to take a look at this. And for goodness sakes, if anyone ever wrote a contract between two parties and put in this sort of language in it, 80 percent of the loss of the use of the vehicle until the car rental agency repairs it or replaces the vehicle, I think a person would be absolutely nuts to sign on to that. But they own the rental vehicles, and the tourist won't have any option but to go along with something as onerous as this.

"I think we were taught in law school that this is an adhesion contract. You need to get the rental vehicle, and you have to buy this provision along with it. I think this is very bad policy. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1912, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY," passed Third Reading by a vote of 33 ayes to 17 noes, with Representatives Ahu Isa, Catalani, Fox, Halford, Kahikina, Kaho'ohalahala, Leong, Marumoto, Meyer, Morita, Moses, Pendleton, Souki, Stegmaier, Takai, Takumi and Thielen voting no and Representative Okamura being excused.

H.B. No. 2396, HD 1:

Representative Case moved that H.B. No. 2396, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Takai rose to speak in opposition to the measure, stating:

"I would argue that the title, Relating to Degree Granting Institutions is, in fact, too narrow. As a matter of fact, if you take a look at the bill, Section 446E-1 of the HRS, that chapter, Chapter 446E is unaccredited degree granting institutions. I'd like the members to take a look at this bill and really understand what this bill is doing. Promotional materials means sales, promotion and marketing materials exclusive of advertising. Take a look at 446E-2, called disclosures, and it says 'any unaccredited institution shall disclose in all catalogs promotional materials and contracts for instruction.'

"The fact that the institution is not accredited by any national recognized accrediting agency listed by the United States Secretary of Education requires disclosure. In other words, Mr. Speaker, after all of our hard work over the past six to eight

years, and finally getting this bill passed last year and making headway into our title a few years ago as the 'diploma mill capitol of the world,' we are now going to allow unaccredited degree granting institutions the opportunity to advertise anywhere in Asia, the United States, the Continental United States and Hawai'i that they are providing degrees and not requiring them to specify that in fact their degrees are coming from an unaccredited degree granting institution.

"I realize and recognize that this bill does not have an effective date, but there is nothing to discuss from my perspective. This bill will absolutely erode some of the progress that we made last year and I really urge my colleagues to take a look at this bill and vote no. Thank you, Mr. Speaker."

Representative Fox then rose in opposition to the measure and asked that the remarks of Representative Takai be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Yoshinaga then rose to speak in support of the measure, stating:

"I just want to briefly give the history of some of the developments on this unaccredited degree granting issue. Since joining the Legislature in 1995, I have also sat on conference committees on this measure. What has happened is that we didn't want to permit diploma mills from operating in our State. This was the underlying purpose of this bill, which the previous speaker has alluded to, but there was a balance attempted in terms of legitimate unaccredited degree granting institutions and the fact that they pay taxes here and provide useful services.

"There was testimony that they provide educational degrees for older workers who are usually employed and some of the graduates are from the Hawai'ian Electric Company and Xerox to name a few. Frankly, employers have found these types of programs to be useful and pay for these types of educational programs for their workers as a benefit. However, it has come to my attention during the interim that what the Department of Commerce and Consumer Affairs has implemented is basically a prohibition against any advertising without a disclosure in the point type that is in the statute currently, which makes it prohibitive for unaccredited degree institutions to advertise from Hawai'i because they are Hawai'i based.

"Whereas, unaccredited degree institutions that are not Hawai'i based, that don't pay GET, can, frankly, advertise anywhere they want in the world and have no disclosure requirements which puts our own institutions that are registered to do business as an unaccredited degree granting institution at a disadvantage. It's my belief, Mr. Speaker, that this prescriptive interpretation of promotional materials is too narrow. It has driven many of these legitimate unaccredited institutions out of business currently and they would like to have some relief.

"The relief provided in the current statute, which I believe is sufficient to address the concerns by the previous speaker, is that once a student or prospective student writes to the institution, this bill does not change the disclosure requirements in very bold typeface that in the catalogs and other promotional materials after a prospective student is interested in enrolling. At this point, the student would have to have the disclosures in all of the brochures as well as the signed contract, which is when the prospective student is more serious. So it's similar to other consumer laws that protect us from a cooling off period before you sign a contract. We have those types of disclosures.

"So I encourage the members to please support this as an economic development issue that provides a balance for legitimate institutions. Thank you."

Representative Santiago then rose to speak in support of the measure with reservations, stating:

"Rather than voting no I will give the benefit to the previous speaker who is the Chair of the Committee and vote with some strong reservations. Thank you."

Representative Rath then rose to speak in support of the measure, stating:

"In Kailua-Kona we had the University of the Nations which is a religious institution that was an unaccredited degree granting institution that seeks to advertise to bring people over. That is a prime example of what this allows just for clarification. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2396, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DEGREE-GRANTING INSTITUTIONS," passed Third Reading by a vote of 37 ayes to 13 noes, with Representatives Ahu Isa, Arakaki, Espero, Fox, Goodenow, Kaho'ohalahala, Luke, Marumoto, Morita, Pendleton, Stegmaier, Takai and Yonamine voting no and Representative Okamura being excused.

H.B. No. 2425, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2425, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

H.B. No. 2585, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2585, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM ELECTRONIC TRANSACTIONS ACT," passed Third Reading by a vote of 50 ayes, with Representative Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2732, 2572, 1912, 2396, 2425 and 2585 had passed Third Reading at 7:32 o'clock p.m.

H.B. No. 2951, HD 1:

Representative Case moved that H.B. No. 2951, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Rath rose to speak in opposition to the measure, stating:

"This seems to give unreasonable police powers and I am not in favor of 'chop shops.' This, basically, allows constant search warrants. It talks about unregistered and I guess that would be commensurate with unlicensed. If they are unlicensed, does it also mean that the licensed guys are applicable to the same one. It says that those who would be licensed. I just envision the police coming in anytime they want to search through records to look for stolen goods and cars. If they reasonably believe that it is stolen, then it is time to do an investigation and a little police work and go the normal routes. I just think this may go a little too far to the left. Thank you."

Representative Menor then rose to speak in support of the measure, stating:

"I just wanted to point out that the law enforcement community, more specifically the representatives of the county police department, strongly supported this measure. They felt that if under the existing law our police officers have the right to inspect those legitimate businesses that are registered under the law that they should have the same power to go after the

unregistered entities, many of whom are the chop shops that are ripping off the consumers and ought to be more tightly regulated. As such, I think it's a fair bill and we should move it out. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2951, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," passed Third Reading by a vote of 44 ayes to 3 noes, with Representatives Halford, Leong and Rath voting no and Representatives Fox, Nakasone, Okamura and Schatz being excused.

H.B. No. 2362, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2362, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANNULMENT, DIVORCE, AND SEPARATION," passed Third Reading by a vote of 47 ayes, with Representatives Fox, Nakasone, Okamura and Schatz being excused.

H.B. No. 2891, HD 1:

Representative Case moved that H.B. No. 2891, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Whalen rose to speak in opposition to the measure, stating:

"At the end of last session, I was questioned if I supported the concept of, basically, a helpless person being pummeled in a puddle of blood on the bottom of the floor. The answer obviously was no. However, what this bill does to clarify any misconceived ideas is it bans everything, but for what's listed in there. Kickboxing is one of the activities that is listed, but if those of you who enjoy sports think back far enough, when kickboxing first reached the United States it was viewed as a rather unorthodoxed, uncouth method of fighting and it was an anomaly.

"Over the years it has gained respect and it is a regular sporting event and it is viewed as such, like boxing or wrestling or something else. Mixed martial arts is one of those uncouth strange things that we don't really have a label for right now. This bill bans it. However, the events that I am referring to that I don't support in this bill are the ones that I have seen to have a referee that's being closely monitored. They have a ring doctor and trainers. It is supervised and there isn't anyone getting injured. The attention is focused on the participants so they are not in a position where they are helpless and getting hurt. If they cannot defend themselves, the match is called. This bill bans that type of activity as well.

"And just to remind this body, the testimony from DCCA, although supporting the bill in the idea of banning it all, stated that there has been no instances and no problem of any nature in the State. Maybe there has been some back alley fight where guys get bloody and injured. But the testimony from DCCA has been that there has been no injuries and no problems and for that reason I don't know why we can't restrict this further or use the law that's on the book if we are going after brutality. To ban it all because it doesn't fit into our present day formula of what is acceptable sporting events is where I think we go too far. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2891, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMBATIVE SPORTS," passed Third Reading by a vote of 43 ayes to 4 noes, with Representatives Chang, Moses, Rath and Whalen voting no and Representatives Fox, Nakasone, Okamura and Schatz being excused.

H.B. No. 1880, HD 1:

Representative Case moved that H.B. No. 1880, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Herkes rose to speak in opposition to the measure, stating:

"As politicians, we take a serious problem, gun violence is a very serious problem, then we advocate a very high profile solution to the problem without regard to the basic underlying problems and that's my concern with this bill.

"This bill does nothing to solve the violence that the public is exposed to on a daily basis, including our youth in their informative years, nor does it address our growing disdain for the laws that govern us. We are a society of laws. Just something as simple as the increase in the number of people that run red lights on a daily basis, and we see that growing everyday, is complete disdain for our laws.

"The little six year old boy that shot that young girl was very tragic. What that little boy was doing was something that he sees everyday on television. We see this every single day on television, people shooting people, and it's okay. We see it in the movies. The more violent the movie, the more popular the movie. As our youth are growing up to become young adults, they are learning about shooting people. Television, movies, have you ever been to a video parlor? All of the video parlors have games about shooting people. They sit there and they shoot at people and they shoot at things and it gets ingrained in their mind.

"This bill does nothing to address that underlying problem. At a young age, we expose our youth to all of this violence under the guise of entertainment. In the 'big bucks retailers,' you can buy what's called 'fooze ball guns.' You buy them with these ink cartridges and the purpose of these guns is that you take them and you shoot them at people and they make an ink splotch on them. In San Diego, they have a course that you can pay to have a gun and you shoot people and it is very popular.

"People shooting people. This is how we train people. Look who our heroes are in sports, Dennis Rodman, what a bum, and they idolize this guy. Sprewell, the NBA player that choked his coach, he's okay, he's still playing. The NFL is full of felons and they are all our heroes. What about the hockey player that smashed the other players head the other day, well it was all in the name of the sport, that's okay. I will commend the State of Texas for placing a high school student in jail for deliberately knocking down another player at a high school game which caused the player to have a concussion. We just don't seem to want to curb this violence that exists on a daily basis and our society.

"Friday night in Kona, it was about 8:30p.m., my wife and I drove up to the industrial area. You wouldn't expect to find much happening in an industrial area at 8:30 on a Friday night, but we were going to have dinner at Sam Choy's. We ran into a police roadblock with about three officers. I am a former police commissioner, and my wife is a commissioner and so we stopped and talked to the officers. We asked what's going on, why all this activity in the industrial area? Well he said there's about 220 kids roaming the area vandalizing the stores, damaging vehicles, complete disregard of the law. That's how we're raising our youngsters. Remember zip guns? Easy to make, very, very difficult to control.

"What this bill does is to penalize a legitimate gun owner and it will not keep guns out of the hands of criminals that want them. But it will provide a convenient gun catalog for thieves. Hawai'i already has some of the most stringent gun laws in the Nation. This bill would have as much impact on reducing violence as green harvest has had on reducing use of drugs in Hawai'i. But we can go back to the public, pat ourselves on the back and say look at the good job we did on controlling gun violence."

Representative Rath then rose to speak in opposition to the measure and asked that the remarks of Representative Herkes be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Rath continued, stating:

"I must have been right ahead of Representative Herkes and his wife going through the police block on my way to the little convenience store gas station and stopped and chatted also. I went into the store and the lady that works the night shift there told me that a couple of days before that a gang of teenagers had just rushed the place. A group of them came in and started stealing everything. They took beer and were grabbing things off the shelf while calling the clerk names and ran out. It's the behavior that's the problem. As the speaker before me said, this is a feel good measure and it doesn't really solve anything. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 1880, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Third Reading by a vote of 42 ayes to 5 noes, with Representatives Herkes, Ito, Kahikina, Meyer and Rath voting no and Representatives Fox, Nakasone, Okamura and Schatz being excused.

H.B. No. 2158, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2158, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," passed Third Reading by a vote of 45 ayes to 2 noes, with Representatives Ahu Isa and Kahikina voting no and Representatives Fox, Nakasone, Okamura and Schatz being excused.

H.B. No. 1933, HD 1:

Representative Case moved that H.B. No. 1933, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to disclose a potential conflict of interest, stating:

"I come from a licensed contracting family," and the Chair ruled "no conflict".

Representative Thielen continued, stating:

"I am voting for the bill, but I do believe the provisions are too harsh."

Representative Rath then rose to speak in opposition to the measure, stating:

"This lets the government come in and take whatever you have. If you happen to have the audacity to work or do any business without government permission or without a license. I just want you to think about this. A union carpenter who is on the bench, he can't work a non-union company, so what happens is he decides to go out and do a little side work. If he does a \$1200 staircase or something, the government can come and take all of his tools, maybe \$20,000 to \$30,000 worth, his car and they can confiscate everything. Why? Because he worked.

"A guy goes out and he does a little job for his neighbor. Maybe times are tough. Maybe we have a downturn in the economy or a recession. Maybe we don't have enough licensed contractors out there hiring people and this guy has some skills. So he goes out and he builds a lanai for his neighbor and it turns out to be a couple bucks over a thousand dollars or maybe even two thousand dollars, God forbid labor and materials. Now you can take everything he owns too.

"This confiscation because this person doesn't have government permission to work is crazy. This is punishing people for working. That is their only crime. They are going out and they're working, well yeah, maybe they don't have their license, but my God think about all of the hoops you have to jump through to get a license. Some people have to do some work and put some food on the table and pay the rent and the utility bills right away. They haven't got six months or eight months to jump through all of the government hoops. So they go out and they have the audacity to do a job that's \$1 over \$1,000 and they lose their car, tools or anything that is related to that job. This is absolutely crazy. This isn't socialism or communism. This is ridiculous and I am opposed to it and I just can't see punishing people who have the audacity to work. Thank you, Mr. Speaker."

Representative Whalen then rose to speak in opposition to the measure, stating:

"One of the practical effects that has been overlooked is the fact that many of these unlicensed folks do have the skills contrary to the claims of the licensed folks. But they end up leasing equipment. Leasing a cement mixer or some tools to go do a job. If they get caught for working without a license these materials get yanked. Unless the lessee responds within 20 days, the notice is considered final order of the director and the person who owned the material, either borrowed or leased, has now lost it.

"I am not sure if this is where we are trying to head. It sounds like to me, that what's going on is times are tough, people are working who aren't licensed because they can't get a license for one reason or another. I don't know how many people here actually know how difficult a process it is to get a license. But the fact is, it's not just money, some of it is just flat out experience which you might have to have as a supervisor or some other position that you might not be able to get so you won't be able to get your license period. At any rate you might want to know that it's not just the person who has done the job that can lose their equipment, but if the equipment is borrowed or leased from another party it can also be lost within 20 days, and wham, bam, everything is gone.

"For most jobs, you lease something on a 30 day agreement or on a week to week basis. There is no notice requirement to the person who actually owns the equipment. To put it into perspective, I could walk up and punch somebody in the nose and get busted for assault and, in all likelihood, I would have to pay a fine or restitution if I didn't break his nose. I wouldn't get any jail time and not much will happen to me. Realistically speaking, I may pay a hundred or two in a fine. This bill has fines that go far beyond that and, as I have already told you, I can lose every bit of my working materials.

"Which is more grievous? It sounds to me like the personal affront is. Yet, we treat people, who don't come to the altar of the State of Hawai'i to beg permission to make a living, as unworthy. And we will grind them into the dirt if that's what it takes to protect the privileged few."

Representative Menor then rose to speak in support of the measure, stating:

"I believe, in evaluating this particular bill, the issue comes down to this. If you support our existing state contractors licensing law, then you would be in support of this measure. On the other hand, if, as is the case with the previous speakers, the Representatives from the Big Island, you oppose our contractors licensing law and in the long-term would like to see it dismantled, then you would oppose this measure.

"Mr. Speaker, as the Chair of the Consumer Protection and Commerce Committee, I happen to support our contractors' licensing law, not because it's protectionist, not because it was set-up to be unduly harsh on small business people, but rather it was designed to serve the interest of the consumers, the people

of the State of Hawai'i. If you carefully review our contractors' licensing law, it was enacted to protect consumers in several respects.

"First of all, contractors who are licensed are required to maintain adequate liability, the workers' compensation insurance coverage. Licensed contractors are also required to maintain private health insurance coverage for their employees and meet other requirements that are designed to benefit their workers and consumers. In addition, a consumer who deals with a contractor under Hawai'i State law is able to obtain recovery from the Contractor's Recovery Fund in the event a shady contractor defrauds that particular individual.

"So I happen to believe, Mr. Speaker, that our contractors' licensing law serves an important public purpose. This bill would strengthen that contractors' licensing law and I am posing tough sanctions to deter unlicensed activity here in the State of Hawai'i. Now we have received numerous testimony and letters from hardworking licensed contractors who abide by the law together with the representatives from the DCCA who have indicated to us that unlicensed activity is becoming a major problem.

"So a bill of this nature is definitely needed. So if we believe that there is an important public function and purpose to be served by maintaining a contractor's licensing law, and if we also recognize that there are rising problems in this State, where people are engaging in contracting work on an unlicensed basis, notwithstanding the fact that we have many hardworking taxpaying contractors that do abide by the law, then I believe that it is a logical position of this body to support H.B. 1933, HD 1. Thank you."

Representative Herkes then rose to speak in support of the measure with reservations, stating:

"This might sound odd, but I agree with all three previous speakers. This is a major problem in my district, there's no question about it. The reservation that I have comes from the Contractors' Licensing Board, which hands out the licenses, which is made up of contractors. This is where the problem lies, they won't license new contractors. So again it's one of those regulatory boards of the State of Hawai'i that controls the industry and therein lies my problem."

Representative Morita then rose to disclose a potential conflict of interest, stating:

"My husband is a licensed contractor and we stand to benefit from this if the unlicensed contractors are put out of business," and the Chair ruled "no conflict".

Representative Morita then rose to speak in support of the measure and asked that the remarks of Representative Menor be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Morita continued, stating:

"I worked in the construction business for over 10 years with my husband. As a licensed contractor, one of the things that we often did was go in, at the request of the homeowner or another contractor, to clean-up the mess and fix the problems associated with an unlicensed contractor. Unfortunately, when this happens the consumer has very little resources to make the needed corrections and oftentimes the Recovery Fund isn't sufficient to correct the mistakes. So that's why I feel this bill is very important. Thank you."

Representative Moses then rose to declare a potential conflict of interest, stating:

"I'm a homeowner, and the Chair ruled "no conflict".

Representative Moses then rose to speak in opposition to the measure, stating:

"I am looking at this bill and I am agreeing with most of the speakers on both sides of the issue. But looking at the notes and the committee report it says this is a far reaching bill as the forfeiture provision not only affects unlicensed contractors, but to those people who provide property to the unlicensed contractor to do their job. That means that your hammer and ladder would be subject to forfeiture if you let the unlicensed contractor use it in fixing your fence.

"I'm just wondering, I don't know how to read the licenses. How would I know that it's a valid license? How would I know that it's not a forgery? I also want to know if I asked my neighbor to help me fix my fence and my neighbor is an unlicensed contractor, does that mean I can lose my house and any tools we use? I don't understand this. I think it's a little severe. It also goes on in the committee report to talk about an unscrupulous person who could hire an unlicensed contractor and use the law to get their money back. It also talks about a legal theory, which I don't understand so I'm not going to quote it. I think it's a little harsh and I understand that you should try to use a licensed contractor, but don't take it out on me if I don't know if he's licensed or not, even though I ask him and he says he is. Thank you, Mr. Speaker."

Representative Rath then rose to speak in rebuttal, stating:

"I contacted DCCA and asked them, how many cases they had last year? They said that it was just around 210. There were 58 aiding and abetting cases and that's for licensed contractors. I asked them, what the total fines were that was levied upon these people? It's over \$2,100,000. It's an enormous amount of fines. Then I asked them, how much of it was paid? How much did you really collect? They told me \$37,000. I asked them, did this come from consumer complaints? And I was told that it wasn't and that there wasn't any consumer harm. I asked, who reported them? And I was told that it was from licensed contractors of course. But the vast majority, Mr. Speaker, were sting operations.

"I've heard this licensee argument over and over again about protecting the public and it's just not true. Mr. Speaker, we are at stake. The Empire State does not license contractors. States like Ohio don't license contractors. We license people who paint. It's regulation for regulation sake, it's a construction monopoly. And let me ask you this, if you want to be a contractor, any kind of contractor, dry wall, concrete, it doesn't make any difference, you still would have to prove supervision. So you're working for somebody and you're a foreman and you have to prove experience. So when you apply for your license, guess who they send a letter to to ask if you have the experience? The guy you work for. Well now he knows you're going out on your own and he's the guy that has to sign for you. Now you're caught in a 'catch-22' and will probably wind up unemployed. He's going to find somebody else.

"We've trapped people into subservient positions. This is just incredible, with all the crime and all the things that is happening in Hawai'i and the recession we have, we're protecting monopolies and we're going to take people's property for working. That is just absolutely incredible. Thank you."

Representative Whalen then rose to speak in rebuttal, stating:

"There was an earlier statement that this is a simple issue, either you support contractors licensing or you want to dismantle the system. It was also stated that the problem is rising. Why is the problem rising? I don't know if facts or explanations just fly over people's heads or we really just tune out so we don't listen because its contradictory to our own little 'pet' philosophy.

"There are more people unlicensed right now that are working because they don't have regular jobs. They're working to make a living and to put food on the table. They're trying to do something to provide for their families. That's why the problem is on a rise. It's not because it's some lucrative business or notion of them becoming dirty rotten millionaires, it's because they need to do something and they have no job. That's why they're out there working and doing whatever they can to make a living. This simple either or, I don't think so. If that were the case, if we caught someone who intentionally ran a red light we could just throw them in jail for 40 years. Then you would say, oh my God, you can't do that, that is too severe.

"Isn't that the message that is coming across from those people who are opposed to this? It's too severe. Not that we're saying if you're unlicensed you should have a free run, we're saying the penalty is too severe. It doesn't seem to me that it's simply for or against. It sounds to me that the message it's trying to get across is that this penalty is so severe. Why? Because it's trying to protect those who are in this guild and who want to keep people out. It's not a simple for or against and I believe that we need to protect the consumers and we don't need to take everything from them. What I am saying is that this penalty is too severe for someone who is trying to provide for their family. Maybe they don't give a rip and is just out there doing unlicensed work. Still is this penalty too severe? I believe it is and that's why I'm saying there's a problem with this particular bill we're trying to pass."

Representative Meyer then rose to speak in opposition to the measure and asked that the remarks of Representatives Rath and Whalen be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Meyer continued, stating:

"I personally know two contractors. They were excellent contractors who worked on the Big Island. One of them was building a house in Milolii, where there is no water. The woman, who said nothing about having an irate husband, the house was two-thirds built and the husband came down and burned it up. This was just before she would make a very substantial payment.

"There was no house and she wouldn't make the payment and the contractor was out for all of the labor and material. He had no way of getting any money from this woman. All that was left was an ash heap in Milolii. This put him in a terrible financial position. He couldn't pay the taxes that he owed. He had five employees and they all lived out in Milolii and the Ocean View area where jobs are not readily available. When it came time to renew his contractors license he could not renew it because of money he still owed the State. He didn't suddenly lose his knowledge or his ability to build. But the State of Hawai'i said hey, if you can't pay your taxes, you are not a licensed contractor anymore.

"So should he just stop working? No he's continued to work and he may have been turned in by some other contractors. The other contractor who had built many houses here in Oahu had gotten into financial problems, he didn't pay his child support. The child support people got to the tax office which prevented him from renewing his contractors' license. These are not just two of the only situations like this. This happens over and over again. I would just echo what the Representative from South Kona said, 'this is too harsh'.

"Perhaps we should look at the contracting laws that establish contracting licenses. If other states don't have to have them then why should we? I really wonder who we are protecting here?"

The motion was put to vote by the Chair and carried, and H.B. No. 1933, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNLICENSED CONTRACTORS," passed Third Reading by a vote of 42 ayes to 5 noes, with

Representatives Auwae, Meyer, Moses, Rath and Whalen voting no and Representatives Fox, Nakasone, Okamura and Schatz being excused.

The Chair directed the Clerk to note that H.B. Nos. 2951, 2362, 2891, 1880, 2158 and 1933 had passed Third Reading at 8:03 o'clock p.m.

At 8:04 o'clock p.m., Representative Pendleton asked for a recess and the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 8:17 o'clock p.m.

H.B. No. 2413, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2413, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPUTER CRIME," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Chang, Fox and Okamura being excused.

H.B. No. 1871:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 1871, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC EMPLOYEES HEALTH FUND," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Chang, Fox and Okamura being excused.

H.B. No. 2445:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2445, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Chang, Fox and Okamura being excused.

H.B. No. 2446:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2446, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Chang, Fox and Okamura being excused.

H.B. No. 2518, HD 1:

Representative Case moved that H.B. No. 2518, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Rath offered the following amendment to H.B. No. 2518, HD 1:

SECTION 1. House Bill 2518 HD1 is amended by deleting its contents and replacing those contents with House Bill 2518, in its original form, to read as follows:

"SECTION 1. The purpose of this Act is to reform the public employment laws that were enacted to implement two constitutional mandates -- that there be a civil service based on merit and that public employees have the right to bargain collectively.

The legislature finds many of the civil service laws are obsolete. Statutes on wages, hours, benefits, and terms and conditions of employment for public employees have been retained, even though the legislature shifted decision-making on these matters to the bargaining table, over thirty years ago in 1970 when it passed the collective bargaining law, and to appropriate authorities, in 1978, for employees excluded from collective bargaining coverage. Therefore, this Act repeals

obsolete statutes where decision-making is no longer within the legislative purview, except for funding of cost items by the appropriate legislative bodies.

The legislature finds that the civil service, initially conceived to ensure public service is based on merit, has evolved into a bureaucracy entangled in its own red tape. Chief executives, appointing authorities, managers, and employees, as well as the general public, are dissatisfied with the existing system. It has outlived its usefulness, lost its focus, has become too rigid and inflexible, and must be reformed and modernized. An example is the requirement for statewide uniformity among the jurisdictions that was once heralded as a protective necessity and is now considered a barrier that prohibits flexibility and autonomy. The jurisdictions are prevented thereby from addressing localized priorities, needs, and concerns within their own funding limitations. This "one size fits all" has resulted in compromises that are not satisfactory to any particular jurisdiction. Therefore, instead of requiring statewide uniformity, this act permits each jurisdiction the necessary flexibility and autonomy to address its own priorities, needs, and concerns.

The legislature finds that the personnel statutes are so prescriptive that whenever change is desired or necessary, legislative action is usually required before the change can be made. With a 60-day legislative session, the legislature can ill-afford to be concerned with micro-managing the personnel systems of the jurisdictions. Therefore, this Act provides enabling language, rather than prescriptive language, so that desired changes and improvements can be made in the personnel systems expeditiously without the need for legislative action.

The legislature finds that the proverbial "red tape" that frustrates the general public is doubly frustrating for the central personnel agencies who are required to make rules in accordance with chapter 91. Their rules concern the employment of persons in government, employees and potential employees or applicants for jobs, unlike the operating line departments whose rules concern rights, obligations, or sanctions affecting the general public. Rule-making in accordance with chapter 91 is a cumbersome process that entails notice and opportunity for input by the general public on changes that do not concern or affect them. Requiring rule-making in accordance with chapter 91 for personnel statutes is an example of how government operates in conformance with law, regardless of the merits of the law, and expends scarce resources on activities that are of little or no value. Therefore, this Act allows the central personnel agencies and merit appeals board to develop rules, without regard to chapter 91, after seeking input from appropriate stakeholders who have a direct interest in the outcome.

The legislature finds that the public employment area has become so complex and confusing as a result of the applicability of other state and federal labor laws, each with its own enforcement agency, superimposed on the civil service and collective bargaining appeal processes which already overlap. Overlapping jurisdiction has resulted in multiple avenues of appeal, conflicting decisions, and unnecessary litigation -- all at the expense of the taxpaying public. Reform is needed in this area particularly when the wholesale application of minimum standards primarily intended for private employment are applied to public employment. Civil service and collective bargaining already provide employees benefits and protections above the minimum standards. This Act initiates reform to minimize confusion by requiring exclusive internal review procedures and assigning the Hawai'i labor relations board the responsibility to expeditiously resolve controversies on appeal processes and pursue additional reform efforts with appropriate agencies.

The legislature finds that the unions have been blamed as a convenient scapegoat for government's inefficiencies and its inability to terminate poor performing workers. Under attack is the union's reliance on seniority, which is definitely a negative when the civil service is perceived as a complacent, inefficient system because seniority would perpetuate these negative characteristics. However, if the civil service were a competent, efficient system, reliance on seniority would be viewed as

beneficial because it would perpetuate these positive characteristics. Employers and unions must work in sync to provide the public with a civil service system that retains, promotes, and rewards employees based on their demonstrated superior performance and eliminates inefficient employees. Only then will reliance on seniority be compatible with the merit principle.

This Act provides an infrastructure that will facilitate improvements and additional reforms in public employment. The reform of the personnel systems will provide the catalyst for needed reform in other systems, whether the budgetary process or the accounting and payroll systems. Appointing authorities must have greater flexibility if they are expected to provide quality public services in the most cost efficient manner. If the hiring is flexible, but the budgetary process restricts that flexibility, we have not accomplished much except to minimize blame on the personnel system.

Enabling language is provided to permit appropriate stakeholders maximum opportunity to build a civil service system that is truly based on the merit principle. Where requirements or limitations are imposed on collective bargaining, the legislature deemed that proper balance was needed to preserve the merit principle or to realign the collective bargaining process. For example, the legislature believes that the maintenance of the merit principle to retain only those employees who continue to meet all performance requirements should not be left to the decision of an arbitrator, a disinterested third party whose primary focus is the collective bargaining agreement and not the merit principle. Therefore, the legislature has required that collective bargaining grievance procedures recognize the merit appeals board, not the arbitrator, as the appropriate body to determine whether an adverse action due to inefficiency was or was not in accordance with the merit principle.

Similarly, the legislature believes that it cannot be fiscally responsible or prudent by considering the operating budget in a vacuum without knowledge of the collective bargaining cost items that are to be effective during the same period. Therefore, it is requiring that collective bargaining cost items for each biennium be submitted at the same time the operating budget is required to be submitted and is prohibiting retroactivity of cost items if the parties fail to meet that deadline. Impasse procedures have been modified to coincide with requirements on submission of cost items.

Additionally, the legislature believes that certain public policy issues should not be compromised. Examples include the requirement for a drug free workforce under a "two strikes you're out" rule, the expeditious recovery of wage and salary overpayments, and prohibitions against using public moneys to pay for work not performed, for premiums that are excessive in relation to the amount of work performed, or for penalties unrelated to the performance of work. Therefore, the legislature has required that negotiations and collective bargaining agreements be redirected accordingly.

To facilitate the monumental task of restructuring government and implementing planned workforce reduction programs, the legislature has provided alternatives to the painful, disruptive, and relatively ineffective layoff and bumping process. This Act provides a voluntary severance benefit to encourage employees whose positions will be eliminated to voluntarily separate from service in lieu of exercising layoff and bumping rights. The Act also provides an early retirement incentive that waives the customary penalties associated with insufficient age to encourage employees whose positions will be eliminated to retire earlier if they meet service requirements. These vacated positions for which a voluntary severance benefit or an early retirement incentive is conferred must be abolished.

The legislature is cognizant that it is imperative for government to explore new and improved ways of providing quality services to their constituencies at less cost. Some alternatives by which government can reinvent itself that have aroused the legislature's interest but are still being explored are the managed process to increase public-private competition, partnerships for providing services to or on behalf of government, and agreements with former employees to create

an employee stock ownership program (ESOP). Therefore, the legislature encourages further pursuit and consideration of alternative ways to provide services to the public more efficiently, effectively and economically.

The legislature finds that some costs of government can be minimized, in particular, the costs that reflect a bygone era when the salaries of government workers lagged substantially behind those of the private sector. A generous package of benefits was offered to attract persons into public service. However, the gap between private and public sector salaries has been significantly reduced, but the generous benefits package at the taxpayers' expense remains. For example, new hires receive the equivalent of one month of vacation and one month of sick leave from the onset of employment, the same as long-service employees. The legislature believes that continuing the vacation and sick leave benefits at this generous level for new hires is no longer warranted. Despite the controversy that may arise, the legislature feels that it must initiate a roll back in the benefits of new employees to a more acceptable level, sooner than later. Therefore, the vacation and sick leave benefits for new employees have been limited and negotiated benefits for these employees must be within the limitations.

Regardless of how the statutes are crafted, the legislature realizes that the success or failure of these reform efforts ultimately depends on the commitment and good faith of all appropriate stakeholders in working out the necessary details and implementing them accordingly. Nonetheless, this Act represents a significant step forward in initiating reform in government and is a product of collaboration among the stakeholders who can make it happen.

PART I.

SECTION 2. The Hawai'i Revised Statutes is amended by adding a new chapter to be appropriate designated and to read as follows:

"CHAPTER PUBLIC EMPLOYMENT LAW

§ -1 Title. This chapter shall be known as the "Public Employment Reform Act".

§ -2 Findings and purpose. The purpose of this chapter is to interface the two major laws governing public employment -- civil service and collective bargaining.

In 1970, when the collective bargaining law was passed, the legislature believed that collective bargaining and civil service could co-exist without making any significant change to the civil service laws. It simply and clearly stated that the merit principle and the principle of equal pay for equal work among the jurisdictions are to be maintained. It also excluded specific subjects from the scope of bargaining and prohibited agreement on proposals that would interfere with employers' rights.

A provision allowing the collective bargaining law to take precedence over conflicting statutes on wages, hours, and terms and conditions of employment was included so that collective bargaining rights could be exercised immediately without the necessity of deleting or amending pre-existing statutes on these matters. From time to time over the last thirty years changes have been made to these laws, but the obsolete provisions still remain and the provision allowing the collective bargaining law to take precedence has been relied on to expand collective bargaining beyond its intended parameters. The legislature never intended that the collective bargaining law would preempt any and all other conflicting statutes or that it would bar the enactment of subsequent statutes.

Therefore, the legislature finds that additional clarification and safeguards are necessary to ensure the collective bargaining law does not go beyond its intended parameters and that it is enforced in a manner that:

- (1) Maintains the merit principle;
- (2) Does not interfere with the public employers' rights, as well as their obligations to the public; and
- (3) Gives due recognition to the legislature's authority to enact laws, including those necessary to fulfill its ongoing constitutional mandate to define the rights of public employees to bargain collectively.

§ -3. Definitions. As used in this chapter:

"Appointing authority" means a department head or designee having the power to make appointments or changes in the status of employees.

"Chief executive" means the governor, the respective mayors, the chief justice of the supreme court, and the chief executive officer of the Hawai'i health systems corporation.

"Department" includes any department, board, commission, or agency of a jurisdiction.

"Director" means the head of the central personnel agency for a jurisdiction regardless of title, whether it is director of human resources development, director of personnel, director of personnel services, or personnel director.

"Employee" means any person holding a position in the service of a jurisdiction, irrespective of status or type of appointment.

"Employer" or "public employer" means the governor, in the case of the State; the respective mayors, in the case of the counties; the chief justice of the supreme court, in the case of the judiciary; the board of education, in the case of the department of education; the board of regents, in the case of the University of Hawai'i, and the Hawai'i health systems corporation board, in the case of the Hawai'i health systems corporation, and includes any individual who represents one of these employers or acts in their interest in dealing with public employees.

"Exclusive representative" means the employee organization certified by the Hawai'i labor relations board as the collective bargaining agent to represent all employees in an appropriate bargaining unit without discrimination and without regard to employee organization membership.

"Jurisdiction" means the State, the city and county of Honolulu, the counties of Hawai'i, Maui, and Kauai, the judiciary, and the Hawai'i health systems corporation.

"Legislative body" means the state legislature in the case of the State, the judiciary, and the Hawai'i health systems corporation; the city council, in the case of the city and county of Honolulu; and the respective county councils, in the case of the counties of Hawai'i, Maui, and Kauai.

"Position" means a specific job requiring the full or part-time employment of one person.

"Merit appeals board" means the appellate body of each jurisdiction under section -31 that is authorized to hear appeals concerning the civil service of the jurisdiction.

PART I. GENERAL PROVISIONS

§ -4 Citizenship and residence; exceptions. (a) All elective officers in the service of the government of the State or any county shall be citizens of the United States and residents of the State for at least three years immediately preceding assumption of office.

(b) All appointive officers in the service of the government of the State or any county who are employed as department heads, first assistants, first deputies, second assistants, or second deputies or their equivalent, whatever their title, to a department head shall be citizens of the United States and residents of the State for at least one year immediately preceding their appointment. All others appointed in the service of the government of the State or any county shall be citizens, nationals, or permanent resident aliens of the United States and residents of the State at the time of their appointment. A national or permanent resident alien appointee shall not be eligible for continued employment unless the person diligently seeks citizenship upon becoming eligible to apply for United States citizenship.

(c) All persons seeking employment in service of the government of the State or any county shall be citizens, nationals, permanent resident aliens of the United States, or eligible under federal law for unrestricted employment in the United States and residents of the State at the time of their application for employment and as a condition of eligibility for continued employment.

"Resident" means a person who is physically present in the State at the time the person claims to have established the person's domicile in the State and shows the person's intent to make Hawai'i the person's permanent residence. In determining this intent, the following factors shall be considered:

- (1) Maintenance of a domicile or permanent place of residence in the State; and
- (2) Absence of residency in another state.

(d) The appointing authority may approve the appointment of persons without consideration of the requirements under subsection (c) when services essential to the public interest require highly specialized technical and scientific skills or knowledge for critical-to-fill and labor shortage positions.

(e) For the positions involved in the performance of services in planning and executing measures for the security of Hawai'i and the United States, persons seeking employment shall be citizens of the United States in addition to meeting the requirement of residency in subsection (c).

(f) This section shall not apply to persons recruited by the University of Hawai'i under the authority of section 304-11.

§ -5 Experimental modernization projects. (a) It is the intent of this section to encourage and facilitate improvements in the human resource programs of the several jurisdictions. With the approval of the chief executive, the director may conduct experimental modernization projects to determine whether specific changes in its human resource program would result in a more desirable program for the jurisdiction.

(b) Prior to implementing any experimental modernization project, the director shall:

- (1) Develop a plan identifying the purposes of the project, the methodology to be used, the duration of the project, the criteria for evaluation of the project, and the cost of the project, if any.
- (2) Consult with the employees who would be involved in the conduct of the project.
- (3) Negotiate with the exclusive representative if a modification or waiver of provisions under a collective bargaining agreement is necessary for the employees involved in the conduct of the project.

(c) While the project is in progress, it shall not be limited by state or local personnel laws and rules, but shall be in compliance with all equal employment opportunity laws and laws prohibiting discrimination.

§ -6 Alternatives in providing human resources program services. (a) Whenever consistent with economic and efficient administration, the director may delegate the performance of services under this chapter to the departments, which shall be done in compliance with statutes, rules, and any policies, standards, and procedures issued by the director. The delegation may be withdrawn as determined by the director.

(b) Whenever consistent with economic and efficient administration and upon the recommendation of its director, the chief executive may decentralize powers of the director under this chapter, except for rule-making, to an appointing authority who shall exercise the powers, including the issuance of policies, standards, and procedures applicable to the department, in compliance with statutes and rules. Accountability for all actions taken by the appointing authority or any subordinate officer and employee, as a result of empowerment by the chief executive shall rest with the appointing authority to the same extent as though the action had been taken by the director.

(c) Whenever consistent with economic and efficient administration a jurisdiction, or a department if authorized by the jurisdiction, may enter into an agreement on furnishing services or facilities with respect to matters under this chapter; provided that the services are performed in compliance with statutes and rules. An agreement may be with another jurisdiction or a department as allowed by rules of the director and may provide for reciprocity or reimbursement from authorized funds for the value of services or facilities furnished as mutually agreed between the parties to the agreement. An agreement may be with a private entity if authorized by the state legislature and shall be subject to any requirements and parameters set by the state legislature or the respective legislative body, as applicable. The agreement to contract services or facilities may be, but is not required to be, part of a managed competition process.

When determining how services are to be provided for the state executive branch, consideration shall be given to options, such as, but not limited to: restructuring the workforce in

conjunction with providing affected employees the option of electing a voluntary severance benefit or an early retirement incentive, initiating a reduction-in-force, entering into an agreement with former employees as part of an employee stock ownership program (ESOP), or permitting current employees to submit a competitive bid.

The services furnished under an agreement on behalf of a jurisdiction or department shall be as fully effective as though the services has been performed by the jurisdiction or department.

§ -7 Oversight program on compliance. Whenever the director delegates any services, the director shall institute and maintain a system of inspection to determine that the personnel laws and rules are applied and administered by the departments in a manner consistent with the provisions of this chapter. This oversight shall extend to any services being performed through decentralization by the chief executive or any agreement with a public or private entity. In the event of any failure to comply with the provisions of this chapter, the director shall take or recommend appropriate action. Such action may include requiring immediate correction be taken, retracting the delegation of authority, advising its chief executive of any refusal to take immediate corrective action, or terminating an agreement for services.

§ -8 Complaint and appeal procedures; clarifying and resolving controversy. To minimize confusion and controversy due to overlapping labor laws governing public employment that has resulted in unnecessary and costly litigation, loss of appeal rights, and conflicting decisions, it is declared to be in the public interest that various complaint, grievance, and appeal procedures be clarified and coordinated. Any existing procedures applicable to public employment on the effective date of this Act shall be reviewed and amended or eliminated to be consistent with the intent and requirements of this section through collective bargaining, rule-making, or legislation, as applicable.

(1) Each jurisdiction shall have exclusive internal review procedures that allow specific groups of individuals aggrieved by actions of a chief executive, director, appointing authority, or designee to resolve a complaint or a grievance internally, up to the level of the chief executive or designee.

(A) A departmental complaint procedure shall be available for exclusive use by individuals who are not employees and employees who are excluded from collective bargaining.

(B) The grievance procedure in a collective bargaining agreement shall be the exclusive remedy available for use by employees covered by the collective bargaining agreement.

(C) The procedures shall encourage informal resolution before a formal complaint or grievance is referred to or filed with the appropriate level that has the authority to act. Informal resolution includes the use of an agency's administrative review process.

(2) If any complaint or grievance cannot be resolved internally, the matter may be appealed after the level of the chief executive, but only with the appropriate authority over the matter, whether the merit appeals board, another appellate body or administrative agency, or an arbitrator.

(3) The Hawai'i labor relations board created pursuant to section -56 shall have exclusive jurisdiction to decide any controversy regarding appeal rights under this chapter. It shall expeditiously resolve the controversy and shall require that any proceedings before a merit appeals board or an arbitrator be held in abeyance until the controversy is decided. It may exercise jurisdiction with respect to a matter covered by this chapter if it is in the best interest of the public and all parties concerned or defer the matter to the merit appeals board or to arbitration. Any matter under the jurisdiction of another appellate body or administrative agency shall not be referred to the merit appeals board or to arbitration.

- (4) The Hawai'i labor relations board shall work cooperatively with the various agencies having authority over employment laws that apply to public employment to:
- (A) Clarify and minimize any overlap in jurisdiction, including whether the statutes should continue to apply to public employment and in the same manner as private employment in light of safeguards provided by civil service and collective bargaining;
 - (B) Encourage agencies to allow for resolution of complaints or grievances internally and for decision-making by the Hawai'i labor relations board on controversies involving appeal rights before tolling the time for filing an appeal with their respective agencies; and
 - (C) Recommend to agencies any changes in statutes or their administrative procedures, as may be appropriate and consistent with the intent of this section.

§ -9 Chapter takes precedence, unenforceable, or inoperative, when; transition period; state legislature's authority. (a) This chapter shall take precedence over conflicting statutes pertaining to the wages, hours, benefits, and terms and conditions of employment of public employees and other personnel statutes, including those relating to civil service, that were in effect prior to the effective date of this Act. The absence of a statutory provision or broad enabling language in lieu of specificity in this chapter with respect to these matters recognizes there are better, alternative means for determining and maintaining these matters; provided that these matters are consistent with the requirements and limitations in this chapter. Alternative means includes the director's rule-making authority and personnel rules as provided in part II, joint-decision making between the employer and the exclusive representative and collective bargaining agreements as provided in part III, or the discretion of the appropriate authority and executive orders or directives as provided in part IV.

(b) This chapter is not intended to diminish, impair, amend, or limit any rights or benefits in statutes, rules, ordinances, executive orders or directives, or collective bargaining agreements in existence prior to the date of this Act, unless expressly stated in this chapter. Rights or benefits in statutes, rules, ordinances, executive orders or directives, or collective bargaining agreements in existence prior to the date of this Act that are consistent with this chapter shall remain in effect.

(c) This chapter shall preempt all contrary provisions in rules, ordinances, executive orders or directives, or collective bargaining agreements. A transition period is provided for the implementation of this chapter, from the effective date of this Act until June 30, 2001, the effective date of repeal of the chapters specified in this Act. During the transition period, any rule, ordinance, executive order or directive, or provision in a collective bargaining agreement that is not consistent with this chapter shall be amended accordingly. Where new provisions are necessary to implement this chapter, the appropriate authorities shall ensure inclusion or adoption of these provisions as expeditiously as possible during the transition period, after discussions with appropriate stakeholders. Stakeholders are the persons or groups who can affect or are affected by the provisions. New or amended provisions that are included or adopted to comply with this chapter may take effect immediately upon inclusion or adoption and shall supersede any conflicting statute that is scheduled to be repealed at the end of the transition period.

(d) This chapter shall not take precedence over or preempt any state or federal law or mandate that applies, without discretion and irrespective of collective bargaining agreements or rules, to employers in general, both private and public. If any provision in a collective bargaining agreement or rules would cause an employer or appointing authority to be in violation of or non-compliance with any applicable state or federal law or mandate, the provision, insofar as it would result in violation or non-compliance, shall be unenforceable.

(e) If any provision of this chapter jeopardizes the receipt by the State or any county of any federal funds, the provision shall, insofar as the receipt of funds is jeopardized, be inoperative.

(f) This chapter shall not diminish or impair, in any way, the authority of the legislature to fulfill its obligations under the state constitution to define by law a civil service governed by the merit principle and the right of public employees to organize for the purpose of collective bargaining.

PART II. CIVIL SERVICE

§ -11 Purposes; merit principle. It is the purpose of this part to require that each jurisdiction establish and maintain a separately administered civil service system based on the merit principle. The merit principle is the selection of persons based on their fitness and ability for public employment and the retention of employees based on their demonstrated appropriate conduct and productive performance. It is also the purpose of this part to build a career service in government, free from coercive political influences, to render impartial service to the public at all times, and to render such service according to the dictates of ethics and morality and in compliance with all laws.

In order to achieve these purposes it is the declared policy of the State that the human resource program within each jurisdiction be administered in accordance with the following:

- (1) Equal opportunity for all in compliance with all applicable laws prohibiting discrimination. No person shall be discriminated against in examination, appointment, reinstatement, reemployment, promotion, transfer, demotion, or removal, with respect to any position when the work may be efficiently performed by the person without hazard or danger to the health or safety of the person or others.
- (2) Impartial selection of individuals for public service by means of tests that are fair, objective, and practical.
- (3) Incentives for competent employees within the service, whether financial or promotional opportunities and other performance based group and individual rewards that encourage continuous improvement to achieve superior performance.
- (4) Reasonable job security for competent employees and elimination of unnecessary or inefficient employees, with the right of appeal from improper personnel actions.
- (5) Equal pay for equal work within the jurisdiction through systematic classification of positions based on objective criteria and adequate job evaluation.
- (6) Harmonious and cooperative relations between government and its employees, including employee organizations representing them, to develop and maintain a well-trained, efficient, and productive work force for the delivery of services to the public.
- (7) Competition between public employees and the private sector over the performance of public duties and the provision of public service to the public.

§ -12 Definitions. As used in this part:

"Civil service" includes all positions within a jurisdiction that must be filled through civil service recruitment procedures based on merit.

"Civil service employee" means an employee appointed to a position in the civil service who has met the initial requirements for membership in the civil service and who must meet on-going requirements to remain a member in the civil service.

"Class" means a group of positions that reflect sufficiently similar duties and responsibilities such that the same title and the same pay range may apply to each position allocated to the class.

"Classification plan" means classes of positions arranged in a logical and systematic order.

§ -13 General powers and duties of director. The director shall:

- (1) Represent the public interest in the improvement of human resources administration in the civil service;
- (2) Assist in fostering the interest of institutions of learning and civic, professional, and employee organizations in the improvement of human resources standards in civil service;

- (3) Advise the chief executive on policies and problems concerning the human resources program; and
- (4) Make investigations concerning the administration of human resources policies in the civil service, including any matter respecting the enforcement or effect of this chapter or the rules adopted thereunder, or the action or failure to act of any officer or employee with respect thereto.

§ -14 Specific duties and powers of director. The director shall direct and supervise all the administrative and technical activities of the director's department. In addition to other duties imposed upon the director by this chapter, the director shall:

- (1) Establish and maintain a roster of all persons in the civil service;
- (2) Appoint employees necessary to assist the director in the proper performance of the director's duties and for which appropriations shall have been made;
- (3) Foster and develop, in cooperation with appointing authorities and others, programs for the improvement of employee efficiency;
- (4) Cooperate fully with appointing authorities, giving full recognition to their requirements and needs, in the administration of this chapter to promote public service by establishing conditions of service that will attract and retain employees of character and capability and to increase efficiency and economy in governmental departments by continuously improving methods of human resources administration;
- (5) Encourage and exercise leadership in the development of effective human resources administration within the several departments and make available the facilities of the director's department to this end;
- (6) Investigate from time to time the operation and effect of this chapter and the rules adopted thereunder;
- (7) Develop and maintain a classification plan;
- (8) Ensure that collective bargaining agreements under part III do not violate the merit principle or the principle of equal pay for equal work within the jurisdiction and do not interfere with the employer's rights and obligations;
- (9) Make recommendations and advise the chief executive on appropriate adjustments for employees excluded from collective bargaining under part IV; and
- (10) Perform any other lawful acts deemed by the director to be necessary or desirable to carry out the purposes and provisions of this chapter.

§ -15 Rules; policies and standards. (a) Whenever the director is required to or finds it necessary to prescribe rules for the establishment and maintenance of a human resource program in conformance with this chapter, the rules shall be prescribed, without regard to chapter 91. The procedures for rule-making shall be as set forth in rules, which shall minimally provide for:

- (1) Opportunity for consultation on the proposed rules with affected departments and employee organizations representing affected employees;
- (2) Adoption of rules at open meetings that permit the attendance of any interested person;
- (3) Approval of rules by the chief executive; and
- (4) Filing of rules with the lieutenant governor in the case of the State or with the respective county clerks in the case of the counties.

(b) The director may also issue policies, standards, and procedures consistent with its rules to facilitate and ensure appropriate functioning of the human resources program.

§ -16 Civil service and exemptions. (a) The state constitution mandates that the employment of persons in the civil service, as defined by law, be governed by the merit principle. The legislature declares that it is the public policy of the State that the civil service systems of the respective jurisdictions include all positions, whether permanent or

temporary, that should be filled through civil service recruitment procedures based on merit.

(b) No position shall be exempted from civil service recruitment procedures unless it is based on valid reasons as specified in rules. Valid reasons for exemption from civil service include, but are not limited to, the appointment of an individual to the position:

- (1) Is specified in statutes;
- (2) Is conditioned upon or limited to individuals meeting specific requirements, such as, commissioned or enlisted personnel of the Hawai'i national guard;
- (3) Is under the control of other authority, such as, the legislative body, the board of regents, or the board of education;
- (4) Is to be left to the discretion of the chief executive or the appointing authority because the appointment coincides with the chief executive or appointing authority's term of office or the appointee serves at the pleasure of the chief executive or appointing authority, such as, private secretaries and division chiefs or agency heads; or
- (5) Is to be made in accordance with a court order or decree, such as, the Felix-Cayetano consent decree.

Regardless of whether a position is exempted from civil service recruitment procedures, the determination of collective bargaining coverage shall be made in accordance with section -57 and the employer for purposes of negotiations shall be as specified in section -60.

(c) The rules may provide for an exemption from civil service recruitment procedures if the appointment to the position has a limitation date and it would be impracticable to recruit under civil service recruitment procedures because the required probation period that is part of the examination process can not be completed. The rules shall not permit multiple exemptions from civil service recruitment procedures to the same position when the position will be filled for a duration that would be sufficient to recruit under civil service recruitment procedures and allow for completion of the required probation period.

(d) It is also the public policy of the State that all civil service positions be covered under the classification plan for the jurisdiction, unless the position is exempted from the classification plan for valid reasons as set forth in rules. The rules may provide for the temporary exemption of a position until a new class is established or for a permanent exemption.

(e) The exemption of a position from the classification plan, whether temporary or permanent, or an appointment with a limitation date shall not itself result in an exemption from civil service recruitment procedures. Civil service recruitment procedures based on merit shall be followed for all positions unless exempted pursuant to subsection (b) or (c). Applicants referred under civil service recruitment procedures shall be informed if the position is temporarily or permanently exempted from the position classification plan or if the appointment has a limitation date.

(f) Each director shall be responsible for ensuring that all exemptions from civil service recruitment procedures or from the classification plan are consistent with its rules. With respect to positions exempted prior to the effective date of this Act, the director shall review all positions to determine whether the positions should continue to be exempt and if so, whether from civil service recruitment procedures or the classification plan, or both. If the director determines that the exemption from either or both are not for valid reasons in accordance with rules, the director shall consult with the appropriate appointing authority and its chief executive on removing the exemptions. With the approval of the chief executive, the director shall take whatever action is necessary to remove the exemptions, including proposed statutory amendments. The positions shall be converted into the civil service or be included in the classification plan, as appropriate, but only upon the approval of the legislature if a statutory amendment is required.

(g) The director shall establish rules for converting positions into the civil service or including positions in the classification plan. The rules may allow for incumbents in positions to be retained; provided that, the rules shall not allow any incumbent

to be retained unless the incumbent meets the minimum qualification requirements of the position. The rules shall establish the manner for setting the compensation of incumbents upon their inclusion into the classification plan, which shall be fair and equitable in comparison to the compensation of other incumbents with comparable experience in the same or essentially similar classes. The rules may provide for a temporary differential to preserve the incumbent's pay if the incumbent's pay exceeds what is considered fair and equitable in relation to incumbents in the class.

(h) All positions established after the date of this Act shall be included in the civil service and be filled through civil service recruitment procedures unless exempted therefrom by the director in accordance with rules or by the legislative body of the jurisdiction. Employees in positions subject to civil service recruitment procedures shall be entitled to become and remain members of the civil service for the duration of their appointments as provided in section -23. Employees in positions exempted from civil service recruitment procedures shall not be entitled to membership in the civil service.

(i) All positions established after the date of this Act shall be included in the classification plan unless exempted therefrom by the director in accordance with rules or by the legislative body of the jurisdiction. Employees in positions that are exempted from the classification plan, whether temporarily or permanently, may be entitled to membership in the civil service as provided in subsection (h).

§ -17 Recruitment. The director shall adopt rules in accordance with section -4 and -11 to determine, establish, and maintain the manner in which civil service positions are to be filled. The director shall seek continuous improvements to streamline the recruitment process so that positions are filled in the most economic, efficient, and expeditious manner possible. This includes maximizing use of new technologies and developing more efficient alternatives to ensure the availability of qualified applicant pools whether it involves a change in the manner in which initial appointments are to be made, increased delegation to departments, or decentralization to appointing authorities, as necessary and appropriate.

§ -18 Recruitment incentives. Within limits set forth in rules of the director, appointing authorities may pay for all or a portion of the travel and transportation expenses or provide a monetary incentive to enhance the recruitment of persons employed or appointed to critical-to-fill and labor shortage positions.

§ -19 Examinations. There shall be examinations for testing the fitness and ability of applicants for positions in civil service. The director shall adopt rules to administer the examination programs.

§ -20 Examination consultants. (a) The director or an appointing authority may select employees in the state service or any individual to act as volunteer subject-matter consultants in the preparation and rating of applications and examinations. Notwithstanding the provisions of chapter 92F, the identity of any volunteer subject-matter consultant, and any information which would result in actual identification of any volunteer subject-matter consultant, are confidential and shall not be disclosed.

(b) An appointing authority may excuse any employee in the appointing authority's department from the employee's regular duties for the time required for the employee's work as a volunteer subject-matter consultant. Employees shall not be entitled to extra pay for services as volunteer consultants, but shall be entitled to reimbursement for necessary traveling and other expenses.

§ -21 Person ineligible for appointment. A person shall be ineligible for any appointment in the civil service for a specified period of time as determined appropriate by the director for reasons including any of, but not limited to, the following:

- (1) Deception, fraud, or providing false or misleading statements of material facts in the application or examination process;
- (2) Unauthorized or improper assistance in an examination; or
- (3) A determination of unsuitability for employment.

§ -22 Classification. Each director shall establish, implement, and maintain one or more classification systems covering all civil service positions, not otherwise exempted by rules. The classification systems shall be constructed with the objective of achieving equal pay for equal work within the jurisdiction. The director shall establish rules that allow for review and appeal of classification and initial pricing actions.

§ -23 Membership in civil service; requirements. (a) All employees appointed to civil service positions shall constitute the membership of the civil service, but no employee shall be entitled to membership in civil service unless the employee:

- (1) Successfully serves the initial probation period that is required as part of the examination process to determine the employee's fitness and ability for the position; and
- (2) Satisfies all qualifications in section -4. Any employee who does not satisfy the requirements of this subsection shall not become a member in the civil service and shall be allowed to resign from the position, otherwise the employee shall be terminated from the position.

(b) Upon becoming a member in the civil service, the employee shall be entitled to hold the member's position for the duration of the member's appointment during good behavior and while meeting all qualification and performance requirements of the position; provided that:

- (1) An employee may be subject to suspension, demotion, or dismissal for disciplinary reasons;
- (2) An employee may be subject to demotion or termination for failure to meet qualification or performance requirements of the employee's position; or
- (3) An employee may be subject to termination for lack of work, lack of funds, or other legitimate reasons.

All civil service employees with permanent appointments, including an employee who has the return rights to a position in which the employee has a permanent appointment, shall have layoff rights pursuant to section -28. All other civil service employees whose appointments have a limitation date shall not have layoff rights and shall be released at the end of their appointments or earlier if there is lack of work, funds, or other legitimate reasons.

(c) To retain membership in the civil service, including the right to return to a former position, all employees must continue to demonstrate their fitness and ability for their current positions by meeting all of the qualification and performance requirements. Whenever an employee is not meeting qualification or performance requirements of the position, the employee shall be allowed the option to resign from civil service, otherwise the employee shall be terminated from the civil service.

(d) If an employee is not meeting performance requirements but the appointing authority deems that the employee's deficiencies are correctable within a reasonable period, the appointing authority may provide the employee an opportunity to re-qualify for the position. The appointing authority may require the employee to successfully complete a special probation period, not exceeding a period of three months, to demonstrate the employee's fitness and ability for the position by meeting all performance requirements. While serving a special probation period, the employee shall not be granted any pay increase that is provided to other employees for successfully meeting all performance requirements of their respective positions. If an employee does not successfully complete the special probation period, the provisions of subsection (c) shall apply.

(e) A member who voluntarily moves from the employee's position to another position in the civil service may be required to successfully serve a new probation period as part of the examination process to determine the employee's fitness and ability for the new position. A member who does not successfully complete the new probation period after moving voluntarily from the employee's former position shall be allowed to return to the employee's former or a comparable position or to resign from civil service, otherwise the employee shall be terminated from civil service.

(f) A member who is involuntarily moved due to work performance or other work related reasons -from the employee's position to another position in the civil service may be required to successfully serve a new probation period as part of the examination process to determine the employee's fitness and ability for the new position. A member who does not successfully complete the new probation period after being moved involuntarily from the employee's former position shall be allowed the option to resign from civil service, otherwise the employee shall be terminated from civil service.

(g) The resignation or termination of an employee under this section shall not itself serve as a bar for future employment in public service, but the employee's inability to meet qualification or performance requirements may be considered in a determination of the employee's fitness and ability for positions essentially similar to the position from which the employee resigned or was terminated.

(h) An employee serving an appointment with a limitation date may subsequently be appointed to the same position or a related position in the same class within the department when a permanent position is established or is vacated; provided that the employee was initially hired through civil service recruitment procedures and the period of service as a temporary appointee immediately preceded the appointment to the permanent position. The period of service as a temporary appointee may be credited toward the probation period if the appointing authority certifies that the employee's performance as a temporary appointee was satisfactory and encompassed duties essentially similar to those required during an initial or new probation period. Upon such certification, the period of service performed as a temporary appointee shall be credited toward the probation period and the employee shall be required to serve only the remainder of the probation period, if any.

§ -24 Performance appraisal systems. Each director shall ensure that there shall be performance appraisal systems in place for civil service employees to carry out the purposes and policies of section -11.

§ -25 Non-disciplinary adverse actions; procedures and appeal rights. (a) An appointing authority may demote or terminate any employee for failing to meet qualification and performance requirements of the employee's position and for other non-disciplinary reasons that will promote efficiency of government service. Procedures for taking non-disciplinary actions shall be as provided in this part and rules.

(b) Adverse actions taken by the appointing authority because of an employee's failure to meet qualification and performance requirements of the position or to successfully complete a probation period may be grieved internally up to the level of the chief executive, through the departmental complaint procedure or collective bargaining grievance procedure, as applicable. If the grievance has not been resolved internally through the departmental complaint procedure or collective bargaining grievance procedure, civil service employees may appeal to the merit appeals board; provided that, the grievance does not involve matters under the authority of another appellate body or administrative agency.

(c) Adverse actions taken for non-disciplinary reasons shall not be referred to arbitration under a collective bargaining agreement.

§ -26 Disciplinary actions; procedures and appeal rights.

(a) An appointing authority may, for disciplinary purposes, suspend, dismiss, or demote any employee as the appointing authority considers appropriate. Procedures for taking disciplinary actions, including appropriate notice and placing an employee on leave without pay pending an investigation, shall be as provided by rules or as may be negotiated under collective bargaining agreements, as applicable.

(b) Any civil service employee who is suspended, dismissed, or demoted for disciplinary reasons may grieve and appeal the disciplinary action. Civil service employees covered by collective bargaining agreements in part III shall grieve under the grievance procedure in collective bargaining agreements and the grievance may be submitted to arbitration. Civil service employees excluded from collective bargaining coverage under part IV shall grieve under the departmental complaint procedure

provided by rules and the grievance may be appealed to the merit appeals board.

§ -27 Tenure; resignations. (a) Every member of the civil service shall be entitled to hold the member's position for the duration of the member's appointment as provided in section -23.

(b) When an employee resigns, the resignation shall be in writing in accordance with rules. If an employee resigns without submitting a resignation or the resignation is not accepted for reasons allowed by rules, the appointing authority shall, within fifteen days following the resignation, file with the director a statement showing termination of employment.

(c) An employee may be deemed to have resigned if the employee does not report to work for fifteen days without authorization and did not express any desire to the appointing authority during the fifteen-day period to continue employment. The appointing authority shall file with the director a statement showing termination of employment at the end of the fifteen-day period.

(d) Statements regarding terminations under this section shall include any supporting information why the employee has been deemed to have resigned, including but not limited to: the employee stated a desire to quit or an unwillingness to continue employment; the absence follows the end of an authorized leave; the employee is engaged in other employment; the employee is able, but not available for employment; or the employee attempted to resign while an investigation was pending against the employee. A termination under this section shall be considered as a voluntary separation of employment that is employee initiated and shall not be grieved or appealed.

(e) If the employee does not report for work for fifteen days without authorization, but expressed during the fifteen-day period a desire to continue employment, the employee shall not be deemed to have resigned. The appointing authority may take appropriate disciplinary action, including dismissal, in consideration of the reasons for the employee's absence. The disciplinary action may be grieved under the appropriate internal review procedure and appealed to the appropriate authority, whether the merit appeals board or to arbitration under a collective bargaining agreement.

§ -28 Layoff. When it is necessary to release employees from their positions due to lack of work, lack of funds, or other legitimate reasons, employees with permanent appointments in civil service positions shall have layoff rights. Layoffs shall be made in accordance with the procedures provided in rules or as may be negotiated under collective bargaining agreements, as applicable.

§ -29 Forms required of appointing authorities. Each director shall develop and administer an employment records management system and require appointing authorities to transmit such records as the director may request. Appointing authorities shall maintain all records of all appointments, terminations of employment, transfers, resignations, suspensions, demotions, dismissals, and other employment records and forms deemed appropriate by the director.

§ -30 Complaints and grievances; procedures. (a) Any person aggrieved because of any action by the director or an appointing authority, or adversely affected or aggrieved by such action, shall have an exclusive internal review procedure available to have the complaint or grievance heard and resolved expeditiously.

(1) Persons who are not employees and employees who are excluded from collective bargaining coverage under part IV shall utilize the departmental complaint procedure provided by rules in accordance with subsection (b).

(2) Employees who are covered under collective bargaining agreements under part III shall utilize the contractual grievance procedure, up to the level of the chief executive, as their internal review procedure.

(b) The departmental complaint procedure shall be in accordance with rules that shall provide the following:

(1) The procedure shall encourage informal and expeditious resolution of the complaint. Informal resolution includes the use of any administrative review process available. A written decision shall be

- issued to the complainant on the outcome of any efforts to resolve the complaint informally.
- (2) In presenting the complaint, the complainant shall be assured freedom from coercion, discrimination, and reprisal.
 - (3) The complainant shall have the right to be represented by a person or persons of the complainant's choosing at any stage in the presentation of the complaint.
 - (4) To minimize confusion and loss of rights, the time and manner for filing a formal complaint shall be as uniform and easily understandable as possible to the general public. Complaint forms, instructions, and the complaint procedure should be readily accessible. Complaints should be required to be filed at central locations convenient to the public, then the complaint should be referred to the lowest level of the complaint procedure that has the authority to act. The deadline for filing a formal complaint shall be tolled after a reply is received to the informal complaint if efforts were made to resolve the complaint informally.
 - (5) All proceedings relating to the handling of a complaint by a person who is not an employee shall so far as practicable be conducted at times convenient to the complainant. All proceedings relating to the handling of an employee complaint shall so far as practicable be conducted during the employee's work hours to permit the employee time off from work with pay.
 - (6) The departmental complaint procedure shall culminate in a written decision by the chief executive or the chief executive's designee, whether the director or the appointing authority, who has been assigned responsibility and is accountable for the action being complained about.
- (c) The applicable internal review procedure shall be exhausted before an appeal is filed with the merit appeals board. The complainant or grievant is responsible for the timely filing of an appeal with the appropriate agency or appellate body regardless of whether the applicable internal review procedure is utilized.
- § -31 Merit appeals boards; establishment.** (a) Each jurisdiction shall establish a merit appeals board that shall have exclusive authority to hear and decide appeals concerning the civil service of the jurisdiction under this part; provided that, the appeal does not involve prohibited acts that is under the authority of another administrative agency or appellate body or may be referred to arbitration under a collective bargaining agreement.
- (b) Members of the merit appeals board shall be persons who can objectively apply the merit principle to public employment.
- (c) No person who occupies any elective or appointive office or any position under the state or county government shall be eligible for membership on or continue to be a member of the merit appeals board. No member of the board shall, during the member's term of office, serve as an officer or committee member of any political party organization, including a precinct organization, or present oneself as a candidate or be a candidate for nomination or election to any public office at any election. The office of any member who violates this section shall be conclusively presumed to have been abandoned and vacated by reason thereof and thereupon a qualified person shall be appointed to fill the vacancy. As an alternative remedy, proceedings in the nature of quo warranto may be brought by any person to oust any member who violates this subsection.
- (d) Any other qualifications or limitations on board members, whether the number of members, the manner of appointment, the term of office, any limitation on terms, the appointment or designation of a chairperson, or the removal of members, and the designated name of the merit appeals board, shall be left to the determination of each jurisdiction based on its own preferences and needs. The provisions of section 26-34 shall not apply.
- (e) The members on each jurisdiction's civil service commission or appeals board on the effective date of this Act shall continue in office in accordance with their appointments. A jurisdiction may use its civil service commission or appeals board, with or without modification as allowed under subsection (d), as its merit appeals board to assume all of the functions and responsibilities under this part, as soon as practicable, beginning with the adoption of rules of practice and procedure.
- (f) Official business of the merit appeals board, other than mediation as provided in section -32(c), shall be conducted in meetings open to the public, unless otherwise provided in chapter 92. The majority of members to which the board is entitled shall constitute a quorum.
- (g) Each member of the merit appeals board shall serve without compensation, unless otherwise provided by the chief executive under part IV. When any member is required to travel in the performance of such duties, the chief executive shall provide for reasonable traveling expenses under part IV.
- § -32 Merit appeals board; duties, and jurisdiction.** (a) The merit appeals board of each jurisdiction shall have the authority to render a final and binding decision on actions under this part taken by the chief executive, the director, an appointing authority, or a designee acting on behalf of one of these individuals, including but not limited to:
- (1) The classification, reclassification, allocation, and reallocation of a particular position;
 - (2) The initial pricing of classes;
 - (3) The filling of vacancies, including the publication of a vacancy announcement, examination of applicants, and eligibility for referral;
 - (4) The non-disciplinary demotion or termination of a civil service employee for failure or inability to meet qualification or performance requirements of the employee's position; and
 - (5) The disciplinary action taken against a civil service employee who is not covered under collective bargaining agreement. With respect to disciplinary action taken against a civil service employee who is covered under a collective bargaining agreement, the merit appeals board shall not accept an appeal, unless it is filed with a written agreement. The written agreement must be signed by the employee, the exclusive representative, and the employer stating that all parties mutually agree that an appeal may be filed with the merit appeals board, in lieu of arbitration under the collective bargaining agreement.
- (b) A person, an employee, or an exclusive bargaining representative acting on behalf of an employee, shall be entitled to submit an appeal to the merit appeals board for a decision regarding an action under subsection (a). The appropriate internal review procedure shall be exhausted before an appeal is filed with the merit appeals board. The appeal shall be subject to the following:
- (1) If the act complained of constitutes an unlawful act that is under the jurisdiction of an appellate body or administrative agency, the merit appeals board shall not act, but shall defer to the authority of the appropriate agency.
 - (2) If the act complained of is arbitrable under a collective bargaining contract, the merit appeals board shall not act, unless there is an agreement as provided in paragraph (a)(5) or the matter is referred to it under paragraph (b)(3).
 - (3) In the event of controversy on the appropriate authority to hear an appeal, the merit appeals board shall hold any proceedings before it on the appeal in abeyance until the matter is determined by the Hawai'i labor relations board as provided in section -8. The merit appeals board shall not act or shall proceed in accordance with the determination of the Hawai'i labor relations board.
 - (4) Employees who are not members of the civil service may utilize the appropriate internal review procedure, but shall have no right to appeal actions of their respective appointing authorities to the merit appeals

board unless they are applicants affected by actions under paragraph (a)(3).

(c) Whenever the board determines that mediation may result in a satisfactory resolution of an appeal, may narrow the issues on appeal, or otherwise expedite a decision, the board may require the parties to submit the issues to mediation. Mediation may be provided by any member or members of the merit appeals board or by a public or non-profit agency, which offers mediation or similar services for resolving or narrowing differences. If mediation is used but the appeal is not resolved, the merit appeals board shall conduct a hearing and issue a decision on all unresolved issues.

(d) Both the appealing employee and the appointing authority shall have the right to be heard publicly, present evidence, and be represented by counsel who shall have the right to examine and cross-examine witnesses. At the hearing technical rules of evidence shall not apply. The merit appeals board shall have the power to compel the attendance of witnesses and administer oaths to witnesses.

(e) For the purpose of hearing appeals fairly and expeditiously, the merit appeals board may at any time appoint a competent and qualified disinterested person to act as its hearing officer. The hearing officer shall hear the matter in the same manner as if it were before the merit appeals board and upon the conclusion of the hearing, shall report the hearing officer's findings of fact, conclusions, and recommendations to all parties and the merit appeals board. The merit appeals board shall render a decision after reviewing the hearing officer's report.

(f) All decisions of the merit appeals board shall be final and binding and shall not be subject to chapter 91.

(g) Each merit appeals board shall adopt rules of practice and procedures without regard to chapter 91, but in accordance with the same rule-making requirements in section -15 applicable to each director. The rules shall recognize that matters of methodology and administration are left for execution by the director. The rules may provide for reimbursement or the sharing of specific expenses directly incurred as a result of the appeal if the merit appeals board deems that it would be equitable and appropriate. It may include expenses of a hearings officer, mediation services not provided by members of the board, transcription if requested by the parties, traveling and per diem for individuals other than board members or permanent staff of the board, and other related expenses.

(h) The legal counsel for each merit appeals board shall be decided by agreement of the chief legal officers of all jurisdictions in consideration of their need to avoid conflicts in representation and the merit appeals boards' functions and responsibilities.

§ -33 Director; deputy director. (a) The merit appeals boards of the counties of Hawai'i, Maui, and Kauai shall appoint and may at their pleasure remove a director, who shall be the head of the department or other organizational segment that includes the central personnel agency of the jurisdiction. The director shall, at the time of the director's appointment, and thereafter, be thoroughly familiar with the principles and methods of personnel administration and shall apply merit principle and scientific administrative methods to public personnel administration.

(b) Because cumulative experience and continuity in office are essential to the proper administration of this chapter, it is declared to be in the public interest to continue the director in office as long as efficiency is demonstrated. The provisions of section 26-31 or any similar limitation on a term that expires at the end of the chief executive's term shall not apply to subsection (a).

(c) Each director under subsection (a) may designate a qualified person as the director's deputy. The deputy shall be thoroughly familiar with the principles and methods of personnel administration and shall apply merit principle and scientific administrative methods to public personnel administration. In case of a vacancy in the office of director or of the absence of the director or the director's inability from any cause to discharge the powers and duties of the director's

office, the powers and duties shall devolve upon the director's deputy.

(d) The director for the State shall be subject to appointment and removal in the same manner as other department heads in accordance with section 26-31.

(e) The directors for the Hawai'i health systems corporation, the judiciary, and the city and county of Honolulu respectively, shall be subject to appointment and removal in the manner determined by the appropriate authority of the jurisdiction.

§ -34 State merit appeals board; establishment and exceptions. (a) The merit appeals board for the State shall be comprised of three members appointed by the governor. All members shall have prior experience in public employment and knowledge of public employment laws. One member shall have experience as a representative of an employee organization, one member shall have experience as a representative of management and one member shall have prior experience in public employment and knowledge of public employment laws. The governor shall consider the names of qualified individuals submitted by employee organizations and management before appointing the members of the appeals board. The chairman of the merit appeals board shall be designated as provided in rules established by the board.

(b) Because cumulative experience and continuity in office are essential to the proper administration of this part, it is declared to be in the public interest to continue board members in office as long as efficiency is demonstrated. The provisions of sections 26-34 shall not apply. Members shall be appointed for five-year terms and may be re-appointed without limitation as long as efficiency is demonstrated. The governor shall fill any vacancy by appointing a new member for a five-year term. The governor may remove for cause any member after due notice and public hearing.

(c) All provisions with respect to the merit appeals board of each jurisdiction shall apply to the state merit appeals board unless otherwise expressly provided.

§ -35 Special fund. There is established a special fund for use by the department of human resources development. Revenues received as a result of entrepreneurial efforts of the department in securing new sources of funds not provided for in the department's budget for services rendered by the department shall be deposited into the special fund and expended for the department's related activities and programs. The department may use the moneys in the special fund to employ necessary personnel or for other purposes in support of departmental entrepreneurial initiatives and programs.

PART III. COLLECTIVE BARGAINING

§ -51 Statement of findings and policy. (a) The legislature finds that joint decision-making is the modern way of administering government. Where public employees have been granted the right to share in the decision-making process affecting wages and working conditions, they have become more responsive and better able to exchange ideas and information on operations with their administrators. Accordingly, government is made more effective. The legislature further finds that the enactment of positive legislation establishing guidelines for public employment relations is the best way to harness and direct the energies of public employees eager to have a voice in determining their conditions of work; to provide a rational method for dealing with disputes and work stoppages; and to maintain a favorable political and social environment.

(b) The legislature declares that it is the public policy of the State to promote harmonious and cooperative relations between government and its employees and to protect the public by assuring effective and orderly operations of government. These policies are best effectuated by:

- (1) Recognizing the right of public employees to organize for the purpose of collective bargaining;
- (2) Requiring public employers to negotiate with and enter into written agreements with exclusive representatives on matters of wages, hours, benefits, and other conditions of employment, while, at the same time, maintaining the merit principle and the principle of equal pay for equal work within each jurisdiction as provided in part II; and

(3) Creating a labor relations board to administer the provisions of this part and chapter 377.

§ -52 **Definitions.** As used in this part:

"Appropriate bargaining unit" or "bargaining unit" means the unit designated as appropriate under section -57 for representation purposes, which may have sub-units established under section -60 for purposes of negotiations when there are employees from more than one jurisdiction.

"Arbitration" means the procedure whereby an employer and an exclusive representative submit their unresolved differences to a neutral third party for a decision. It includes a "med-arb" procedure in which a neutral third party serves as mediator and arbitrator and the items not resolved in mediation are subject to an arbitration decision by a mediator-arbitrator.

"Board" means the Hawai'i labor relations board created pursuant to section -56.

"Collective bargaining" means the performance of the mutual obligations of an employer and an exclusive representative to meet at reasonable times, to confer and negotiate in good faith, and to execute a written agreement with respect to wages, hours, benefits, and other terms and conditions of employment. These obligations do not compel either party to agree to a proposal or require either party to make a concession.

"Cost items" include wages, hours, benefits, and other terms and conditions of employment that require appropriations and must be submitted to a legislative body for approval.

"Employee" or "public employee" means any person employed by a public employer, except elected and appointed officials and other employees that are excluded from coverage in section -57(d).

"Employee organization" means any organization of any kind in which public employees participate and which exists for the primary purpose of dealing with public employers concerning grievances, labor disputes, wages, hours, benefits, and other terms and conditions of employment of public employees.

"Fact-finding" means identification of the major issues in a particular impasse, review of the positions of the parties and resolution of factual differences by one or more neutral fact-finders, and the making of recommendations for settlement of the impasse.

"Impasse" means failure of a public employer and an exclusive representative to achieve agreement in the course of collective bargaining. It includes any declaration by the board under section -64(c).

"Mediation" means assistance by a neutral third party to reconcile an impasse between an employer and an exclusive representative through interpretation, suggestion, and advice to resolve the impasse.

"Strike" means a public employee's refusal, in concerted action with others, to report for duty, or the employee's willful absence from the employee's position, or the employee's stoppage of work, or the employee's abstinence in whole or in part from the full, faithful, and proper performance of the duties of employment, for the purpose of inducing, influencing, or coercing a change in the conditions, compensation, rights, privileges, or obligations of public employment; and except in the case of absences authorized by public employers, it includes such refusal, absence, stoppage, or abstinence by any public employee out of sympathy or support for any other public employee who is on strike or because of the presence of any picket line maintained by any other public employee; provided that, nothing herein shall limit or impair the right of any public employee to express or communicate a complaint or opinion on any matter related to the conditions of employment.

§ -53 **Rights of employees.** Employees shall have the right of self-organization and the right to form, join, or assist any employee organization for the purpose of bargaining collectively through representatives of their own choosing on questions of wages, hours, benefits, and other terms and conditions of employment, and to engage in lawful, concerted activities for the purpose of collective bargaining or other mutual aid or protection, free from interference, restraint, or coercion. An employee shall have the right to refrain from any or all of such activities, except for having a payroll deduction

equivalent to regular dues as authorized under sections -54 and -55.

§ -54 **Payroll deductions.** (a) Upon receiving from an exclusive representative a written statement specifying the amount of regular dues required of its members in the appropriate bargaining unit, the employer shall deduct this amount from the payroll of every member employee in the appropriate bargaining unit and remit the amount to the exclusive representative. Additionally, the employer shall deduct an amount equivalent to the regular dues from the payroll of every nonmember employee in the appropriate bargaining unit and shall remit the amount to the exclusive representative; provided that the deduction from nonmember employees shall be made only for an exclusive representative which provides a procedure for determining the amount of a refund to any employee, who demands the return of any part of the deduction, which represents the employee's pro rata share of expenditures made by the exclusive representative for activities of a political and ideological nature unrelated to terms and conditions of employment. If a nonmember employee objects to the amount to be refunded, the nonmember employee may petition the board for review thereof within fifteen days after notice of the refund has been received. If an employee organization is no longer the exclusive representative of the appropriate bargaining unit, the deduction from the payroll of members and nonmembers shall terminate.

(b) The employer shall, upon written authorization by an employee executed at any time after the employee's joining an employee organization, deduct from the payroll of the employee the amount of membership dues, initiation fees, group insurance premiums, and other association benefits and shall remit the amount to the employee organization designated by the employee.

(c) The employer shall continue all payroll assignments authorized by an employee prior to July 1, 1970 and all assignments authorized under subsection (b) until notification is submitted by an employee to discontinue the employee's assignments.

§ -55 **Religious exemption from support of employee organization.** Any employee who is a member of and adheres to established and traditional tenets or teachings of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting employee organizations, shall not be required to join or financially support any employee organization as a condition of employment; except that an employee may be required in a contract between an employee's employer and employee organization in lieu of periodic dues and initiation fees, to pay sums equal to the dues and initiation fees to a non-religious, non-labor organization charitable fund exempt from taxation under section 501(c)(3) of the Internal Revenue Code, chosen by the employee from a list of at least three funds, designated in the contract or if the contract fails to designate any funds, then to any fund chosen by the employee. If an employee who holds conscientious objections pursuant to this section requests the employee organization to use the grievance-arbitration procedure on the employee's behalf, the employee organization is authorized to charge the employee for the reasonable cost of using the procedure.

§ -56 **Hawai'i labor relations board.** (a) There is created a Hawai'i labor relations board which shall serve in the public's best interest to ensure that collective bargaining is conducted in accordance with this part and that the merit principle and the principle of equal pay for equal work within a jurisdiction in part II are maintained.

(b) The board shall be composed of three members. At least one member shall have management experience, one member shall have labor union experience, and the third member, the chairperson, shall have experience in public sector employment laws. Public employers and employee organizations representing public employees may submit to the governor for consideration names of persons to serve as members of the board and the governor shall first consider these persons in selecting the members of the board.

(c) All members shall be appointed by the governor for terms of six years each. Each member shall hold office until

the member's successor is appointed and qualified. Because cumulative experience and continuity in office are essential to the proper administration of this part, it is declared to be in the public interest to continue board members in office as long as efficiency is demonstrated, notwithstanding the provision of section 26-34, which limits the appointment of a member of a board or commission to two terms.

(d) The members shall devote full time to their duties as members of the board. Effective January 1, 1989, and January 1, 1990, the salary of the chairperson of the board shall be set by the governor within the range from \$69,748 to \$74,608 and \$72,886 to \$77,966 a year, respectively, and the salary of each of the other members shall be ninety-five per cent of the chairperson's salary. No member shall hold any other public office or be in the employment of the State or a county, or any department or agency thereof, or any employee organization during the member's term.

(e) Any action taken by the board shall be by a simple majority of the members of the board. All decisions of the board shall be reduced to writing and shall state separately its finding of fact and conclusions. Any vacancy in the board shall not impair the authority of the remaining members to exercise all the powers of the board. The governor may appoint an acting member of the board during the temporary absence from the State or the illness of any regular member. An acting member, during the acting member's term of service, shall have the same powers and duties as the regular member.

(f) The chairperson of the board shall be responsible for the administrative functions of the board. The board may appoint an executive officer, mediators, members of fact-finding boards, arbitrators, and hearing officers, and employ other assistants as it may deem necessary in the performance of its functions, prescribe their duties, and fix their compensation and provide for reimbursement of actual and necessary expenses incurred by them in the performance of their duties within the amounts made available by appropriations therefor. Section 103D-209(b) notwithstanding, an attorney employed by the board as a full-time staff member may represent the board in litigation, draft legal documents for the board, and provide other necessary legal services to the board and shall not be deemed to be a deputy attorney general.

(g) The board shall be within the department of labor and industrial relations for budgetary and administrative purposes only. All members of the board and employees shall be exempt from civil service; except clerical and stenographic employees who shall be appointed in accordance with part II.

(h) At the close of each fiscal year, the board shall make a written report to the governor on its activities, including the cases and their dispositions, and the names, duties, and salaries of its officers and employees. Copies of the report shall be transmitted to the other chief executives, the exclusive representatives, and the legislative body and merit appeals board of each jurisdiction.

(i) In addition to the powers and functions provided in other sections of this part, the board shall:

- (1) Establish procedures for, investigate, and resolve, any dispute concerning the designation of an appropriate bargaining unit and the application of section -57 to specific employees and positions;
- (2) Establish procedures for, resolve disputes with respect to, and supervise the conduct of, elections for the determination of employee representation;
- (3) Resolve controversies under this chapter in the public's best interest in consideration of the requirements to: maintain a civil service system based on merit and equal pay for equal work within a jurisdiction; ensure public employees' right to bargain collectively are protected to the extent it does not interfere with the public employer's rights and obligations; and preserve any authority retained by the state legislature, whether through the exclusion of matters from negotiations, setting limitations on negotiable matters, or requiring that negotiable matters be submitted to the respective legislative bodies for approval.

- (4) Conduct proceedings on complaints of prohibited practices by employers, employees, and employee organizations and take such actions with respect thereto as it deems necessary and proper;
- (5) Hold such hearings and make such inquiries, as it deems necessary, to carry out properly its functions and powers, and for the purpose of such hearings and inquiries, administer oaths and affirmations, examine witnesses and documents, take testimony and receive evidence, compel attendance of witnesses and the production of documents by the issuance of subpoenas, and delegate such powers to any member of the board or any person appointed by the board for the performance of its functions;
- (6) Determine qualifications and establish, after reviewing nominations submitted by the public employers and employee organizations, lists of qualified persons, broadly representative of the public, to be available to serve as mediators, members of fact-finding boards, or arbitrators;
- (7) Establish a fair and reasonable range of daily or hourly rates at which mediators, members of fact-finding boards, and arbitrators on the lists established under paragraph (6) are to be compensated;
- (8) Conduct studies on problems pertaining to public employee-management relations, and make recommendations with respect thereto to the legislative bodies; request information and data from state and county departments and agencies and employee organizations necessary to carry out its functions and responsibilities; make available to all concerned parties, including mediators, members of fact-finding boards, and arbitrators, statistical data relating to wages, benefits, and employment practices in public and private employment to assist them in resolving issues in negotiations;
- (9) Adopt rules relative to the exercise of its powers and authority and to govern the proceedings before it in accordance with chapter 91; and
- (10) Execute all of its responsibilities in a timely manner so as to facilitate and expedite the resolution of issues before it.

(j) For the purpose of minimizing travel and per diem expenses for parties who are not located on Oahu, the board shall utilize more cost efficient means such as teleconferencing which does not require appearances on Oahu, whenever practicable, to conduct its proceedings. Alternatively, it shall consider conducting its proceedings on another island whenever it is more cost efficient in consideration of the parties and the witnesses involved.

§ -57 Appropriate bargaining units. (a) All employees throughout the State within any of the following categories shall constitute an appropriate bargaining unit:

- (1) Non-supervisory employees in blue collar positions;
- (2) Supervisory employees in blue collar positions;
- (3) Non-supervisory employees in white collar positions;
- (4) Supervisory employees in white collar positions;
- (5) Teachers and other personnel of the department of education under the same pay schedule, including part-time employees working less than twenty hours a week who are equal to one-half of a full-time equivalent;
- (6) Educational officers and other personnel of the department of education under the same pay schedule;
- (7) Faculty of the University of Hawai'i and the community college system;
- (8) Personnel of the University of Hawai'i and the community college system, other than faculty;
- (9) Registered professional nurses;
- (10) Institutional, health, and correctional workers;
- (11) Firefighters;
- (12) Police officers; and
- (13) Professional and scientific employees, who can not be included in any of the other bargaining units.

(b) Because of the nature of work involved and the essentiality of certain occupations that require specialized training, supervisory employees who are eligible for inclusion in units (9) through (13) shall be included in units (9) through (13), respectively, instead of units (2) or (4).

(c) The classification systems of each jurisdiction, the department of education, and the university of Hawai'i, shall be the bases for differentiating blue collar from white collar employees, professional from institutional, health and correctional workers, supervisory from non-supervisory employees, teachers from educational officers, and faculty from non-faculty. In differentiating supervisory from non-supervisory employees, class titles alone shall not be the basis for determination. The nature of the work, including whether a major portion of the working time of a supervisory employee is spent as part of a crew or team with non-supervisory employees, shall be considered also.

(d) The following individuals shall not be included in any appropriate bargaining unit or be entitled to coverage under this part:

- (1) Elected or appointed official;
- (2) Member of any board or commission;
- (3) Representative of a public employer, including the administrative officer, director, or chief of a state or county department or agency, or any major division thereof, as well as any first deputy, first assistant, legal counsel, and other top-level managerial and administrative personnel;
- (4) Secretary to top-level managerial and administrative personnel under (3);
- (5) Individual concerned with confidential matters affecting employee-employer relations;
- (6) Part-time employee working less than twenty hours per week, except part-time employees included in unit (5);
- (7) Temporary employee of three months' duration or less;
- (8) Employee of the executive office of the governor or a household employee at Washington Place;
- (9) Employee of the executive office of the lieutenant governor;
- (10) Employee of the executive office of the mayor;
- (11) Staff of the legislative branch of the State;
- (12) Staff of the legislative branches of the counties, except employees of the clerks' offices of the counties;
- (13) Any commissioned and enlisted personnel of the Hawai'i national guard;
- (14) Inmate, kokua, patient, ward or student of a state institution;
- (15) Student help; or
- (16) Staff of the board.

(e) Where any controversy arises under this section, the board shall, pursuant to chapter 91, make an investigation and, after a hearing upon due notice, make a final determination on the applicability of this section to specific individuals, employees, or positions.

§ -58 Elections. (a) Whenever in accordance with rules prescribed by the board pursuant to chapter 91, a petition is filed by an employee organization to determine whether or by which organization employees desire to be represented for the purpose of collective bargaining, the board shall conduct an investigation and may conduct an election where appropriate as specified in this section. In its investigation of the showing of interest, the board shall afford all interested parties a contested case hearing.

(b) In any election where none of the choices on the ballot receives a majority of the votes cast, a runoff election shall be conducted with the ballot providing for a selection between the two choices receiving the largest number of valid votes cast in the election.

(c) The board shall certify election results and the employee organization receiving a majority of the votes cast by employees in an appropriate bargaining unit shall be certified as the exclusive representative of all employees in that unit for the purpose of collective bargaining. The employee organization

shall remain certified as the exclusive representative until it is replaced by another employee organization, decertified, or dissolved.

(d) Whenever two or more employee organizations certified as exclusive representatives enter into an agreement for common administration or operation of their affairs, all rights and duties of the employee organizations as exclusive representatives shall inure to and shall be discharged by the organization resulting from the merger, combination, amalgamation, or agreement, either alone or with the employee organizations. Election by the employees in the appropriate bargaining units involved and certification by the board of the resulting employee organization shall not be required.

(e) No election shall be directed by the board in any appropriate bargaining unit within which (1) a valid election has been held in the preceding twelve months; or (2) a valid collective bargaining agreement is in force and effect.

(f) Any petition to decertify or to change the exclusive bargaining representative must be supported by fifty per cent of employees in an appropriate bargaining unit, through verifiable written proof of the names and signatures of employees. Signatures of employees supporting the petition must be obtained within two months of the date of the petition to be valid with the board.

(g) The board shall adopt rules consistent with this section governing the conduct of elections to determine representation, including the time, place, manner of notification, and reporting the results of elections, and the manner for filing any petition for an election or a decertification election or concerning the results of an election. No mail ballots shall be permitted by the board except when for reasonable cause a specific individual would otherwise be unable to cast a ballot. No names, addresses or information regarding the work location of employees eligible to vote shall be provided to employee organizations involved in an election. The board shall have the final determination on any controversy concerning the eligibility of an employee to vote.

§ -59 Recognition and representation; employee participation. (a) The employee organization certified by the board as representing the majority of employees in an appropriate bargaining unit shall be the exclusive representative of all employees in the unit. As exclusive representative, it shall have the right to act for and negotiate agreements covering all employees in the unit and shall be responsible for representing the interests of all these employees without discrimination and without regard to employee organization membership.

(b) An individual employee may present a grievance at any time to the employee's employer and have the grievance heard without intervention of the exclusive representative; provided that the exclusive representative is afforded the opportunity to be present at any meeting and any adjustment made shall be consistent with the terms of collective bargaining applicable to the employee.

(c) Employee participation in the collective bargaining process conducted by the exclusive representative shall be permitted during regular working hours without loss of regular salary or wages. The number of participants shall be as mutually agreed to between the employer and the exclusive representative. Participants shall be selected from representative departments, divisions, or sections to minimize interference with the normal operations and services.

§ -60 Jurisdictional flexibility; sub-units and employers established for negotiations. (a) To provide greater flexibility in negotiations to address jurisdictional needs and concerns, the following sub-units shall be established within multi-jurisdictional appropriate bargaining units (1), (2), (3), (4), (9), (10), (11), (12) and (13), to the extent applicable, as follows:

- (1) Employees of the State, including the judiciary;
- (2) Employees of the Hawai'i health system corporation;
- (3) Employees of the city and county of Honolulu;
- (4) Employees of the county of Hawai'i;
- (5) Employees of the county of Maui; and
- (6) Employees of the county of Kauai.

(b) Except for sections -57 and -58, wherever reference is made to "appropriate bargaining unit," it shall also mean each

sub-unit that is authorized to negotiate, reach an agreement, arrive at an impasse, and execute a collective bargaining agreement independently of any other sub-unit within the appropriate bargaining unit. Each sub-unit's collective bargaining agreement shall include the wages, hours, benefits, and other terms and conditions of employment for all employees in that sub-unit.

(c) For purposes of negotiations, the public employer of a sub-unit shall mean the governor, the mayor, or the Hawai'i health systems corporation board, as applicable. In the case of the judiciary, the governor shall be the employer for purposes of negotiations, but uniformity between the State and the judiciary shall not be required and each may have its own unique provisions, as mutually agreed to between the exclusive representative and the governor.

(d) For purposes of negotiations, the public employer for units (5) and (6) shall mean the governor together with the board of education and for units (7) and (8), the governor together with the board of regents. The governor shall be entitled to three votes and each board shall have two votes. The votes to which the governor or a board is entitled to may be assigned to their designated representatives. Any decision to be reached by the applicable employer group shall be on the basis of simple majority.

§ -61 Scope of negotiations; consultation; grievance procedures. (a) The employer and the exclusive representative shall meet at reasonable times, including meetings sufficiently in advance of the time for an impasse determination under section -64, and shall negotiate in good faith with respect to wages, hours, benefits, and other terms and conditions which are subject to negotiations under this part and which are to be embodied in a written agreement, or any question arising thereunder, but such obligation does not compel either party to agree to a proposal or make a concession.

(b) The employer or the exclusive representative desiring to initiate negotiations shall notify the other party in writing, setting forth the time and place of the meeting desired and the nature of the business to be discussed, sufficiently in advance of the meeting.

(c) Except as otherwise provided in this part, all matters affecting employee relations, including those that are, or may be, the subject of a rule adopted by the employer or any director, shall be subject to consultation with the exclusive representatives of the employees concerned. The employer shall make every reasonable effort to consult with exclusive representatives and consider their input, along with the input of other affected parties, prior to effecting changes in any major policy affecting employee relations.

(d) In the event of any controversy on whether the employer has met its obligation to negotiate or consult as required in this section before making a change, the board shall consider the conduct of both the employer and the exclusive representative. The failure to reach mutual agreement after good faith negotiations or dissatisfaction on the part of an exclusive representative after consulting in good faith shall not prevent the employer from implementing the change on which it negotiated or consulted. If negotiations or consultation did not transpire because of the unwillingness or unreasonable delay on the part of the exclusive representative, the employer may implement the change by filing with the board the change together with a statement of its good faith efforts to negotiate and consult on the change. The board shall not issue any order that prevents the employer from making the change or requires the employer to restore the status quo if the exclusive representative was notified of the change and was provided reasonable opportunity to negotiate or consult on the change.

(e) For the biennium 1999 to 2001, the parties may not negotiate with respect to cost items as defined by section -52 and the cost items of employees in bargaining units under section -57 in effect on June 30, 1999, shall remain in effect until July 1, 2001.

(f) Excluded from the subjects of negotiations are matters of classification and reclassification; retirement benefits under chapter 88, unless specifically authorized by that chapter; any employer contributions that are to be made on behalf of employees after they have separated from service; the

maximum limits on vacation and sick leave allowances and accumulations for employees hired after June 30, 2000; and any other matter that the legislature may specifically exclude or limit under this chapter or by other law. The employer and the exclusive representative shall not agree to any proposal which would be inconsistent with the merit principle or the principle of equal pay for equal work within a jurisdiction pursuant to part II or which would interfere with the rights and obligations of a public employer to:

- (1) Direct employees;
- (2) Determine qualification, standards for work, the nature and contents of examinations;
- (3) Hire, promote, transfer, assign, and retain employees in positions;
- (4) Suspend, demote, discharge, or take other disciplinary action against employees for proper cause;
- (5) Relieve an employee from duties because of lack of work or other legitimate reason;
- (6) Maintain efficiency of government operations;
- (7) Determine methods, means, and personnel by which the employer's operations are to be conducted; and
- (8) Take such actions as may be necessary to carry out the missions of the employer in cases of emergencies.

The employer and the exclusive representative may negotiate procedures governing the promotion and transfer of employees to positions within a bargaining unit; the suspension, demotion, discharge or other disciplinary actions taken against employees within the bargaining unit; and the layoff of employees within the bargaining unit. Violations of the procedures so negotiated may be subject to the grievance procedure in the collective bargaining agreement.

(g) The public employer and the exclusive representative may negotiate the repricing of classes within its jurisdiction. Alternatively, if repricing has not been negotiated, the public employer shall establish procedures to periodically review, but at least once in five years, the pricing of classes. Any appropriations necessary to implement the repricing actions shall be subject to the same requirements as other cost items under section -63.

(h) A public employer may enter into a written agreement with the exclusive representative setting for a grievance procedure culminating in a final and binding decision, to be invoked in the event of any dispute concerning the interpretation or application of a written agreement and other matters as provided in section -8. Any grievance procedure contained in a collective bargaining agreement that is inconsistent with section -8 shall be modified accordingly by mutual agreement of the parties, in particular, with respect to: having an exclusive internal review procedure by use of the contractual grievance procedure, up to the level of the chief executive, to process all complaints of bargaining unit employees; filing of an appeal with the appropriate forum that has jurisdiction over a matter and not submitting the matter to arbitration; and recognizing that the board, not an arbitrator, will determine any controversy on whether a matter should be decided by arbitration, the merit appeals board, or another appellate body or administrative agency.

(i) With respect to a controversy on whether a matter is subject to negotiations or consultation; a matter is excluded from the scope of negotiations; a proposal would or a provision does violate the merit principle or equal pay for equal work within a jurisdiction or interfere with the employer's rights and obligations, the board shall make a determination in the most expeditious manner to ensure that the progress of negotiations is not adversely impacted because of unnecessary delay in making its determination. With respect to a controversy on whether a grievance procedure is in compliance with this chapter or whether an arbitrator should have jurisdiction over a matter, the board shall make a determination in the most expeditious manner so that the merits can be heard without undue delay. In making its determination on a jurisdictional controversy, the board shall give due consideration to the rights of any other individuals involved who are not included in the bargaining unit, whether non-employees, employees excluded from collective bargaining, or employees in another collective

bargaining unit. These individuals may not have standing in an arbitration proceeding, but may have appeal rights to another appellate body or administrative agency. The board's determination shall be consistent with the intent of section -8, even if the matter may also involve an alleged violation of the collective bargaining agreement, if it could result in conflicting decisions.

§ -62 Collective bargaining; school exceptions. (a) Any collective bargaining agreement concerning public school employees may include terms that would allow an employee to work a longer period each day and a longer school year. Consideration of a longer school day or longer school year shall be related to state and local school initiatives and may be included in proposals submitted in connection with the incentive and innovation grant review process.

(b) A school or a learning support center participating in the school/community-based management program may initiate a waiver from policies, rules, or procedures, including collective bargaining agreements, as provided for in section 302A-1126.

(c) No collective bargaining agreement or executive policy put forth after July 1, 1993, shall contain provisions that may preclude the implementation of the classroom cleaning project established in section 302A-1507, unless a contract waiver process exists between the parties.

§ -63 Written agreements; approval and implementation. (a) Collective bargaining agreements shall be subject to ratification by the employees concerned, except when the agreement is reached pursuant to an arbitration decision. The agreement shall be reduced to writing and executed by both parties. All provisions in the agreement that are in conformance with this chapter, including a grievance procedure and an impasse procedure, shall be valid and enforceable, except for any cost items that were not approved by the appropriate legislative body.

(b) Because effective and orderly operations of government are essential to the public, it is declared to be in the public interest that each collective bargaining agreement shall have a June 30th expiration date in an odd-numbered year. The agreement may include provisions for reopening if the duration of the agreement is for more than two years. Any cost items that are reopened shall be subject to the same requirements as any other cost items.

(c) It is also in the public's best interest that the legislative body of a jurisdiction consider cost items in collective bargaining agreements for any biennium along with requests for other operating funds for the same period. A "biennium" means a period beginning July 1st of an odd-numbered year and ending two years later on June 30th of the next odd-numbered year. Cost items shall be submitted for legislative approval separately for each biennium if an agreement is for more than two years. To accomplish this objective, the legislative bodies shall establish and notify their respective chief executives, by February 1 of each even-numbered year, of the following:

- (1) The date by which the chief executive shall be required to submit all cost items for the biennium agreed to in collective bargaining agreements. This date shall coincide with the due date for requests for operating funds for the first year of the biennium and shall be referred to as the "biennium submission date."
- (2) The date by which the chief executive shall be required to submit all cost items for the biennium subsequently agreed to in collective bargaining agreements. The date shall coincide with the due date for its request for operating funds for the second year of the biennium.

The chief executive shall immediately notify the exclusive representatives and the board of these dates. The conduct of negotiations, issuance of arbitration decisions, and submission of cost items shall be done at times that will meet this objective.

(d) All cost items for the jurisdiction in any collective bargaining agreement, including an agreement reached pursuant to an arbitration decision, shall be submitted by the respective chief executive to its legislative body for approval. Each chief executive shall submit the cost items for any biennium by the biennium submission date established pursuant to (c)(1). If the

cost items have not been submitted by that date, all cost items for the biennium that are subsequently submitted shall have an effective date no earlier than July 1 of the second year of the biennium. The chief executive shall submit these cost items by the date established pursuant to paragraph (c)(2).

(e) Each legislative body shall approve or reject the cost items in a collective bargaining agreement that are timely submitted in accordance with subsection (d) by the next June 30th. Any failure to approve or reject the cost items by the next June 30th shall be considered a rejection of the cost items by the legislative body. Whenever a legislative body rejects or fails to approve the cost items in an agreement, it shall notify the chief executive and the exclusive representative of its reasons. If further bargaining might result in the subsequent approval of cost items, the parties shall bargain further in consideration of the legislative body's specific reasons for rejecting or not approving the cost items initially. Any agreement on cost items after further bargaining shall be submitted by the chief executive to the legislative body within ten days of the agreement. The limitation in subsection (d) on the effective date of cost items shall not apply to cost items that were timely submitted to, but rejected or not approved by, the appropriate legislative body.

§ -64 Resolution of impasses. (a) A public employer may enter into a written agreement with an exclusive representative setting forth an impasse procedure, culminating in an arbitration decision that complies with this subsection (g), to be invoked in the event of an impasse over the terms of an initial or renewed agreement. An impasse during the term of a collective bargaining agreement on reopened items shall not be subject to the impasse procedures in this section. The parties may voluntarily agree to an impasse procedure for reopened items, provided that if the procedure culminates in an arbitration decision, the decision shall be in compliance with subsection (g).

(b) At least one hundred and twenty days prior to the biennium submission date under section -63(c), the board shall initiate an investigation to determine whether an impasse exists in negotiations for any of the bargaining units as follows:

- (1) The board shall require each party to submit to it and to the other party a clear, concise statement of all unresolved issues.
- (2) The board shall immediately determine whether the parties have mutually agreed upon an impasse procedure allowed in subsection (a). It shall permit the parties to proceed with the impasse procedure mutually agreed upon and shall assist in the appointment of neutral third parties, at times and in the manner as may be specified in the impasse procedure.

(c) If there are still unresolved issues on the one hundredth day prior to the biennium submission date and the parties have not mutually agreed upon an impasse procedure, the board shall declare that an impasse exists on that date and the parties shall be required to follow the impasse procedures applicable to the bargaining unit as provided in this section.

(d) The impasse procedures for bargaining unit (1), non-supervisory employees in blue collar positions; bargaining unit (2), supervisory employees in blue collar positions; bargaining unit (3), non-supervisory employees in white collar positions; bargaining unit (4), supervisory employees in white collar positions; bargaining unit (5), teachers and other personnel of the department of education; bargaining unit (6), educational officers and other personnel of the department of education under the same salary schedule; bargaining unit (7), faculty of the University of Hawai'i and the community college system; bargaining unit (8), personnel of the University of Hawai'i and the community college system, other than faculty; bargaining unit (9), registered professional nurses; bargaining unit (10), institutional, health, and correctional workers; and bargaining unit (13), professional and scientific employees, who can not be included in any of the other bargaining units, shall be as follows:

- (1) Mandatory mediation. During the first fifteen days of the impasse, the board shall assist the parties in a voluntary resolution of the impasse by providing a

- mediator or mediators, representative of the public, from a list of qualified persons maintained by the board. If mutually requested by the parties, the board may provide additional mediation assistance at any time.
- (2) **Mandatory fact-finding.** If the impasse continues fifteen days after the date of the impasse, the board shall immediately convene a fact-finding board of not more than three members, representative of the public, from a list of qualified persons maintained by the board. The fact-finding board shall, in addition to powers delegated to it by the board, have the power to make recommendations for the resolution of the impasse. The fact-finding board, acting by a majority of its members, shall transmit its findings of fact and any recommendations for the resolution of the impasse to both parties within thirty days after the date of the impasse.
 - (3) **Voluntary arbitration.** The parties may mutually agree to submit the impasse, at any time, to an arbitration procedure for a decision that complies with subsection (g). If there is mutual agreement on an arbitration procedure, but no agreement on an arbitrator or an arbitration panel, the board shall assist by convening an arbitration panel pursuant to subsection (f).
 - (4) **Fact-finding report made public; mandatory cooling-off period.** If the impasse remains unresolved and the parties have not agreed to submit the impasse to voluntary arbitration within thirty-five days after the date of impasse, the board shall make public the fact-finding report, including any recommendations. Either party shall be free to take whatever lawful action it deems necessary to end the dispute; provided that no action shall involve the disruption or interruption of public services within sixty days after the fact-finding report was made public.
 - (5) **Cost items to legislative bodies.** If the impasse remains unresolved and there is no mutual agreement to submit to voluntary arbitration, the employers shall submit to their respective legislative bodies their recommendations for the settlement of all cost items, together with the fact-finding report, no later than its biennium submission date. The exclusive representatives may submit to the respective legislative bodies their recommendations for the settlement of all cost items by the same date.
- (e) The impasse procedures for bargaining unit (11), firefighters, and bargaining unit 12, police officers, shall be as follows:
- (1) **Mandatory mediation.** During the first fifteen days of the impasse, the board shall assist the parties in a voluntary resolution of the impasse by providing a mediator or mediators, representative of the public, from a list of qualified persons maintained by the board. If mutually requested by the parties, the board may provide additional mediation assistance prior to convening an arbitration panel.
 - (2) **Voluntary arbitration.** The parties may mutually agree to submit the impasse, at any time, to an arbitration procedure for a decision that complies with subsection (g). If there is mutual agreement on an arbitration procedure, but no agreement on an arbitrator or an arbitration panel, the board shall assist by convening an arbitration panel pursuant to subsection (f).
 - (3) **Mandatory final offer arbitration.** If the impasse continues thirty days after the date of the impasse and there is no mutual agreement to submit the impasse to an arbitration procedure, the board shall convene an arbitration panel as provided in subsection (f) within forty-five days after the date of the impasse. Each party shall submit in writing to the panel upon its appointment a final offer which shall include all provisions in any existing collective bargaining agreement not being modified, all provisions already agreed to in negotiations, and all provisions being proposed for inclusion in the agreement. A copy of the final offer shall be given to the other party and the board. Upon its appointment, the arbitration panel shall schedule a hearing as soon as practicable and issue an arbitration decision no later than five days prior to the employer's biennium submission date that includes the factors as specified in subsection (g). During the hearing, the parties shall be allowed to submit either in writing or through oral testimony, all information or data supporting their respective final offers or positions, as the case may be.
- (f) Whenever an impasse is submitted to arbitration for a decision and the parties have not agreed on an arbitrator or arbitration panel, the board shall convene a three-member arbitration panel in the following manner:
- (1) Two members of the arbitration panel shall be selected by the parties; one shall be selected by the employer and one shall be selected by the exclusive representative.
 - (2) The neutral third member of the arbitration panel shall be selected by the two previously selected panel members and shall chair the arbitration panel.
 - (3) In the event that the two previously selected arbitration panel members fail to select a neutral third arbitrator within five calendar days from the date of their appointment, the board shall furnish a list of five qualified arbitrators from which the neutral arbitrator shall be selected. In developing the list of arbitrators, the board may request the assistance of the American Arbitration Association or any other organization of arbitrators. Within five calendar days after receipt of the list, the parties shall alternately strike names therefrom until a single name is left, who shall be appointed by the board as the neutral arbitrator and chairperson of the arbitration panel.
- (g) Any arbitration procedure utilized to resolve an impasse shall provide for the issuance of a decision no later than five days prior to the employer's biennium submission date, if possible. If an arbitration decision cannot be issued by that time, the arbitrator or arbitration panel shall ensure that the effective date of cost items in the decision are in compliance with section -63(d). In reaching a decision, an arbitrator or arbitration panel utilized to resolve any impasse shall give weight to the factors listed below and shall include in a written opinion an explanation of how the factors were taken into account:
- (1) The lawful authority of the employer including, but not limited to, federal restrictions on the ability of the employer to access special funds or other restrictions on the ability of the employer to access funds that are authorized to be used only for a specific purpose.
 - (2) Stipulations of the parties.
 - (3) Due consideration to the interests and welfare of the public that shall not be compromised or diminished because of the need to fund new or enhanced cost items by reallocating funds from current levels of services or programs previously authorized by the legislature.
 - (4) The financial ability of the employer to meet these costs; provided that, the employer's ability to fund cost items shall not be predicated on the premise that the employer may increase or impose new taxes, fees, or charges, or develop other sources of revenues.
 - (5) The present and future general economic condition of the counties and the State; provided that, any revenue estimates exceeding the latest council of revenue estimates reported pursuant to section 37-11, which is used by the state executive branch to prepare the state's financial plan, shall not be considered.
 - (6) Comparison of wages, hours, benefits, and conditions of employment of the employees involved in the arbitration proceeding with the wages, hours, benefits, and conditions of employment of other persons performing similar services in Hawai'i, and of other state and county employees in Hawai'i;

provided that, with respect to a bargaining unit that has historically recruited on a national level, the comparison shall be with the wages, hours, benefits, and other conditions of employment of other persons performing similar services across the nation.

- (7) The average consumer prices for goods or services, commonly known as the cost of living, including comparison of the rate of change in Hawai'i with the rate of change nationally.
- (8) The overall compensation presently received by the employees, including direct wage compensation, vacation, holidays and excused time, insurance and pensions, medical and hospitalization benefits, the continuity and stability of employment, and all other benefits received.
- (9) Changes in any of the foregoing circumstances during the pendency of the arbitration proceedings.

All provisions in an arbitration decision that are in compliance with this chapter shall be final and binding upon the parties; provided that cost items shall not be final or binding and shall be subject to section -63. The parties shall take whatever action is necessary to carry out and effectuate the final and binding agreement but may, at any time and by mutual agreement, amend or modify the arbitration decision.

(h) Nothing in this section shall be construed to prohibit the parties from reaching a voluntary settlement on the unresolved issues, with or without the assistance of a mediator, at any time prior to the conclusion of the hearing conducted by the arbitration panel.

(i) Any time frame provided in this section may be modified by mutual agreement of the parties, subject to the approval of the board; provided that the times for submission of cost items in section -63 shall not be altered and shall remain applicable.

(j) The costs for mandatory mediation and fact-finding required in this section shall be borne by the board. Costs incurred by either party for arbitration, including the costs of its selected member on the arbitration panel, shall be borne by the party incurring them. All other costs and expenses for the services of any other neutrals, including additional mediation, shall be borne equally by the parties.

§ -65 Strikes; rights and prohibitions. (a) It shall be unlawful for any employee to participate in a strike if the employee:

- (1) Is not included in the appropriate bargaining unit involved in an impasse; or
- (2) Is included in the appropriate bargaining unit involved in an impasse that has been referred to arbitration for a decision.

(b) It shall be lawful for an employee, who is not prohibited from striking under subsection (a) and who is in the appropriate bargaining unit involved in an impasse, to participate in a strike under the following conditions:

- (1) The requirements of section -64 relating to the resolution of disputes have been complied with in good faith;
- (2) The proceedings for the prevention of any prohibited practices have been exhausted;
- (3) Sixty days have elapsed since the fact-finding report and any recommendations were made public;
- (4) The collective bargaining agreement and any extension of the agreement has expired; and
- (5) The exclusive representative has given a ten-day notice of intent to strike to the board and to the employer.

(c) No employee organization shall declare or authorize a strike of employees which is or would be in violation of this section. Where it is alleged by the public employer that an employee organization has declared or authorized a strike of employees which is or would be in violation of this section, the public employer may apply to the board for a declaration that the strike is or would be unlawful. The board, after affording an opportunity to the employee organization to be heard on the application, may make such a declaration.

(d) If any employee organization or any employee is violating or failing to comply, or if there is reasonable cause to believe that an employee organization or an employee will

violate or fail to comply, with the requirements of this section, the public employer affected shall, forthwith, institute appropriate proceedings in the circuit in which the violation occurs to enjoin the performance of any acts or practices forbidden by this section or to require the employee organization or employees to comply with the requirements of this section. Jurisdiction to hear and dispose of all actions under this section is conferred upon each circuit court, and each court may issue in compliance with chapter 380, such orders and decrees, by way of injunction, mandatory injunction, or otherwise, as may be appropriate to enforce this section. The right to a jury trial shall not apply to any proceeding brought under this section.

§ -66 Prohibited practices; evidence of bad faith. (a) It shall be a prohibited practice for a public employer or its designated representative willfully to:

- (1) Interfere, restrain, or coerce any employee in the exercise of any right guaranteed under this part;
- (2) Dominate, interfere, or assist in the formation, existence, or administration of any employee organization;
- (3) Discriminate in regard to hiring, tenure, or any term or condition of employment to encourage or discourage membership in any employee organization;
- (4) Discharge or otherwise discriminate against an employee because the employee has signed or filed an affidavit, petition, or complaint or given any information or testimony under this part, or because the employee has informed, joined, or chosen to be represented by any employee organization;
- (5) Refuse to bargain collectively or consult in good faith with the exclusive representative as required in section -61;
- (6) Refuse to participate in good faith in the mediation, fact-finding, and arbitration procedures set forth in section -64;
- (7) Refuse or fail to comply with any provision of this part;
- (8) Violate the terms of a collective bargaining agreement;
- (9) Replace any employee for participating in a lawful labor dispute; or
- (10) Give employment preference to an individual employed during a labor dispute and whose employment termination date occurs after the end of the dispute, over an employee who exercised the right to join, assist, or engage in lawful collective bargaining or mutual aid or protection through the labor organization involved in the dispute.

(b) It shall be a prohibited practice for a public employer or for an employee organization or its designated agent willfully to:

- (1) Interfere, restrain, or coerce any employee in the exercise of any right guaranteed under this part;
- (2) Refuse to bargain collectively or consult in good faith with the public employer, if it is an exclusive representative, as required in section -61;
- (3) Refuse to participate in good faith in the mediation, fact-finding and arbitration procedures set forth in section -64;
- (4) Refuse or fail to comply with any provision of this part; or
- (5) Violate the terms of a collective bargaining agreement.

§ -67 Prevention of prohibited practices. (a) Any controversy concerning prohibited practices may be submitted to the board in the same manner and with the same effect as under section 377-9; provided that the board shall have exclusive original jurisdiction over such a controversy. This section does not preclude (1) the institution of appropriate proceedings in circuit court pursuant to section -65(d) or (2) the judicial review of decisions or orders of the board in prohibited practice controversies in accordance with section

377-9 and chapter 91. All references in section 377-9 to "labor organization" shall include employee organization.

§ -68 **Public records and proceedings.** The complaints, orders, and testimony relating to a proceeding instituted by the board under section 377-9 shall be public records and be available for inspection or copying. All proceedings pursuant to section 377-9 shall be open to the public.

§ -69 **Personal information; access by exclusive representatives.** (a) An exclusive representative shall be allowed access to information in the personal records of the employees it represents that are relevant to the investigation or processing of a grievance. The exclusive representative shall notify the affected employees whenever it has obtained access to information in their personal records.

(b) The appropriate government agencies shall, upon written request, disclose to an exclusive representative information relating to the administration of payroll deductions authorized under section -54, as follows: name; mailing address; social security number; bargaining unit; date of change in bargaining unit status of the employee; full-time equivalence of the employee; the employee's leave without pay status with effective dates and duration; basic rate of pay; types and effective dates of personnel actions that affect the amount and payment of the basic rate of pay; pay range and step or equivalent; amounts and dates of differential pay; amounts and dates of statutory dues deductions; and amounts and dates of other authorized voluntary payroll deductions remitted to the exclusive representative; except that this provision shall not apply to information regarding present or former employees involved in an undercover capacity in a law enforcement agency. The information shall be provided in a form conducive to electronic data processing; provided that the employer possesses appropriate data processing capability and the exclusive representative may be required to pay for any extraordinary costs.

(c) Information requested by an exclusive representative shall be disclosed or provided within a reasonable time after receipt of the request. An exclusive representative receiving personal information shall be subject to the same restrictions on disclosure of personal information as the originating agency.

§ -70 **List of employee organizations and exclusive representatives.** The board shall maintain a list of employee organizations. To be included in the list, an organization shall file with the board a statement of its name, the name and address of its secretary or other officer to whom notices may be sent, the date of its organization, and its affiliations with other organizations, if any. No other qualifications for inclusion shall be required, but every employee organization shall notify the board promptly of any changes in its name, the name and address of the person to whom notices may be sent, or its affiliations.

The board shall indicate on the list which employee organizations are exclusive representatives of appropriate bargaining units, the effective dates of their certification, and the effective date and expiration date of any agreement reached with the public employer. Copies of the list shall be made available to interested parties upon request.

§ -71 **Financial reports to employees.** Every employee organization shall keep an adequate record of its financial transactions. It shall make available to all employees who pay the employee organization dues or its equivalent an annual financial report in the form of a balance sheet and an operating statement, certified as to accuracy by a certified public accountant, within sixty days after the end of its fiscal year. Additional details on which the financial report is based shall be made available to an employee upon request. In the event of failure to comply with this section, an employee may petition the board for an order compelling compliance. The order shall be enforceable in the same manner as other orders of the board under this part.

§ -72 **Penalty.** Any person who willfully assaults, resists, prevents, impedes, or interferes with any member of the board or any of its agents or employees in the performance of duties pursuant to this part, shall be fined not more than \$500 or imprisoned not more than one year, or both. The term "agent"

includes a neutral third party that assists in the resolution of an impasse under section -64.

§ -73 **Office of collective bargaining and managed competition.** (a) There shall be established an office of collective bargaining and managed competition in the office of the governor to assist the governor in implementation and review the managed process of public-private competition for a particular government services through the managed competition process, and negotiating with and entering into written agreements between the public employers and the exclusive representatives on matters of wages, hours, and other negotiable terms and conditions of employment.

(b) The position of chief negotiator for the State is hereby established to head the office. The chief negotiator shall be experienced in labor relations. The governor shall appoint and remove the chief negotiator and the deputy negotiators, who shall not be subject to chapters 76, 77, and 89. Effective January 1, 1989, and January 1, 1990, the salary of the chief negotiator shall be set by the governor within the range from \$69,748 to \$74,608 and \$72,886 to \$77,966 a year, respectively. The chief negotiator and its deputy negotiators shall be included in any benefit program generally applicable to the officers and employees of the State. All other employees shall be appointed. The chief negotiator shall serve as one of the governor's designated representatives as set forth in section -60(d).

(c) In addition to the powers and functions provided in other sections of this chapter, and subject to the approval of the governor, the office of collective bargaining shall:

- (1) Assist the governor in formulating plans, including objectives, criteria to measure management's accomplishment of objectives, and programs through which the objectives are to be attained;
- (2) Assist the governor in formulating management's philosophy for public collective bargaining, managed process for the public private competition for government services, including which particular service can provided more efficiently, effectively, and economically considering all relevant costs as well as planning bargaining strategies;
- (3) Conduct negotiations with the exclusive representatives of each employee organization and designate employer spokespersons for each negotiation;
- (4) Coordinate the State's resources in all mediation, fact-finding and interest arbitration cases as well as in all labor disputes;
- (5) Conduct systematic reviews of collective bargaining agreements for the purpose of contract negotiations;
- (6) Coordinate the systematic compilation of data by all agencies that is required for negotiating purposes;
- (7) Coordinate the establishment of cost data negotiated with each exclusive representative and assist the governor in making recommendations with respect thereto to the legislative bodies;
- (8) Coordinate the managed competition process to ensure the negotiations of subject matters that are negotiable under the collective bargaining laws in the public sector;
- (9) Prepare and submit an annual report and such other reports as may be requested to the governor and to the legislature on the implementation of the collective bargaining act.

PART IV. PUBLIC OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING

§ -81 **Purpose.** The legislature finds that the appropriate authorities in the several branches of State and county governments do not have sufficient flexibility to adjust the wages, hours, benefits, and other terms and conditions of employment for their respective excluded public officers and employees. The organizational status and employment conditions of these individuals in the excluded group are diverse and include: cabinet members, board and commission members, managerial employees, and non-managerial employees; appointees, civil service employees, and employees

exempt from civil service; permanent and temporary employees; and full-time, part-time, seasonal, casual, and intermittent employees. Sufficient flexibility must be provided so that timely and relevant adjustments can be made.

To this end, the legislature grants appropriate authorities the necessary flexibility to make adjustments as provided in this part; provided that nothing in this part shall be construed to interfere with or diminish authority already provided to them.

The legislature also finds that the chief executives do not have a sufficient cadre of key personnel to ensure that the various program areas are in sync with the directions, priorities, and program objectives and goals that they have established for their administrations. The department heads and their deputies have difficulty in making desired changes and accomplishing the program objectives and goals of the administration during their limited terms of office without the cooperation, commitment, support, leadership capability, and technical knowledge of key personnel in charge of the various program areas. Therefore, to enable the chief executives and their cabinet officials to have a sufficient cadre of key personnel to accomplish their program objectives and goals, the legislature authorizes each chief executive to develop, at their discretion, a cadre of key personnel who shall be appointed by and serve at the pleasure of the chief executive to head the various program areas within their respective jurisdictions as provided in this part.

§ -82 Definitions. As used in this part:

"Adjustment" means a change in wages, hours, benefits, or other term and condition of employment.

"Appropriate authority" means the governor, the respective mayors, the chief justice of the supreme court, the board of education, the board of regents, the Hawai'i health system corporation board, and the legislative auditor, the ombudsman, and the director of the legislative reference bureau. These individuals or boards may make adjustments for their respective excluded officers and employees.

"Excluded employee" means any individual who is employed by one of the appropriate authorities and who is not included in an appropriate bargaining unit under section -57 and, therefore, is not entitled to collective bargaining coverage under part III.

"Key personnel" means an individual appointed to a division chief or an agency head position, regardless of job title, that is responsible for the operations of a departmental program area and is excluded from collective bargaining coverage under part III. The term does not include any of the following:

- (1) An individual whose appointment, prior to the effective date of this Act, is at the pleasure of an appointing authority;
- (2) An individual whose appointment is required to be made as specifically provided for by law; or
- (3) An individual who is the head of a departmental staff office, such as, personnel or budget, that provides support services to the key personnel in charge of the program operations within the department.

§ -83 Key personnel in charge of program operations.

(a) At the discretion of the chief executive, a cadre of key personnel may be appointed by and serve at the pleasure of the chief executive, based on recommendations submitted by the respective department head or other appropriate authority. An employee appointed to serve in a key personnel position, who is a member of the civil service, shall be granted a leave of absence from the employee's civil service position for the duration of the appointment and shall have return rights to the employee's former or a comparable position upon being released from the appointment.

(b) Because technical knowledge and continuity is essential for expeditious accomplishment of program objectives and goals, as well as the cooperation, commitment, support, and leadership capability of the individuals occupying these positions, appointment to these key personnel positions shall be made as follows:

- (1) Priority consideration shall be given to the incumbent in the position based on past performance in the position, willingness and ability to accomplish the objectives and goals of the administration, and other

criteria deemed appropriate by the chief executive or the department head;

- (2) If a determination is made to release the incumbent, the appointment shall be made from among employees within the service of the jurisdiction who have at least five years of continuous service immediately prior to the date of appointment; provided that, the five-year service requirement shall not apply to a position that cannot be filled from among employees within the service because of unique or special qualifications required of the position.

(c) All incumbents in positions identified as key personnel positions, who are members of the civil service on the effective date of this Act, shall be considered as serving in exempt positions at the pleasure of the chief executive and shall suffer no loss of pay. Upon the incumbent's release from the key personnel position, the incumbent shall be entitled to placement in another civil service position deemed appropriate by the appointing authority. The incumbent shall not suffer any loss of benefits or prior service credits and shall be entitled to retain the same pay on the effective date of this Act with appropriate adjustments made for the duration of appointment in the key personnel position, irrespective of the position in which they are placed; provided that, if the employee's pay exceeds the maximum rate of the new pay range, the employee shall not be entitled to any pay adjustment until the maximum rate of the pay range equals or exceeds the employee's pay.

§ -84 Adjustments authorized; limitations, restrictions.

Each appropriate authority may make adjustments for their respective excluded employees subject to the following guidelines and limitations:

- (1) The compensation of excluded employees, whose pay is presently fixed or limited by legislative action, shall not be adjusted under this part and shall continue to be fixed or limited by the respective legislative body.
- (2) The compensation of excluded employee exempt from civil service coverage under part II, whose pay is set at the discretion of the appointing authority, shall continue to be adjusted at the discretion of the appointing authority from funds allowed for this purpose.
- (3) Any adjustment made for excluded civil service employees shall be consistent with the principles under part II and shall not diminish any rights provided under part II.
- (4) Adjustments shall, to the extent practicable, uniformly apply to every excluded employee within a homogenous grouping, such as, cabinet members or managerial employees, to ensure fairness. This does not preclude variable adjustments based on performance or other job criteria and specific adjustments warranted based on the nature of work performed or working conditions.
- (5) No adjustment shall be made in benefits provided under chapter 88 unless specifically authorized by that chapter, or with respect to any other matter that the State legislature may specifically prohibit or limit by law.

§ -85 Excluded civil service employees. (a) Each appropriate authority shall determine the adjustments that are relevant for their respective excluded civil service employees based on recommendations from its respective director.

(b) In formulating recommendations to the appropriate authority, the respective director shall:

- (1) Establish rules and procedures that allow excluded civil service employees and employee organizations representing them the opportunity to provide input on the kinds of adjustments that are relevant and important to them for the director's consideration.
- (2) Ensure that adjustments for excluded civil service employees result in compensation and benefit packages that are appropriate for what they do and the contribution they make in consideration of the compensation and benefit packages provided under

collective bargaining agreements for counterparts and subordinates within the jurisdiction.

- (3) Confer with other directors on proposed adjustments to ensure that adjustments are consistent with part II.

§ -86 Excluded employees exempt from civil service. (a) Each appropriate authority shall determine the adjustments that are relevant for their respective excluded employees who are exempt from civil service in consideration of the compensation and benefit packages provided for other employees within the jurisdiction.

§ -87 Implementation; approval and appropriations. (a) Adjustments that do not require appropriations by the respective legislative body and do not exceed those provided for counterparts or subordinates under collective bargaining agreements may be implemented without legislative approval. Any such adjustment shall not be effective earlier than the date on which the adjustment was made under the relevant collective bargaining agreement.

(b) All other adjustments that require appropriations by the respective legislative body or exceed those provided for counterparts or subordinates under collective bargaining agreements units shall be subject to approval and, if necessary, appropriations by the respective legislative body. These adjustments and applicability, effective dates, and any associated costs shall be submitted separately to the respective legislative body for consideration, at such time and in such matter as the legislative body may require. The respective legislative body may approve any adjustment as submitted or, if amended, after discussing the change with the appropriate authority.

(c) No adjustment shall be made nor shall be funds used for purposes of this part without the prior approval of the respective legislative body as required in this section.

§ -88 Documentation and notice of adjustments. Any adjustment made shall be reduced to writing. Each appropriate authority shall determine how the adjustments will be documented and maintained. Each appropriate authority shall ensure that all affected employees are promptly notified of any adjustment that applies to them.

PART V. PUBLIC SERVICE

§ -91 Office hours. Offices of the State and counties shall be open for the transaction of public business as determined by the chief executive. Offices need not be open for the transaction of public business on the state holidays designated under section 8-1 and as observed under section 8-2.

§ -92 Hours of work. Except for elected officials, the head of any department, first deputy or first assistant, and officers and employees assigned to salary ranges 31 or equivalent and above, the normal work week of all employees, irrespective of status or type of appointment and whether their work is performed during the hours specified in section -91, shall be forty hours. Hours worked in excess of the forty hours shall be paid as negotiated under collective bargaining agreements in part III, provided in executive orders or directives in part IV, or rules, as applicable.

(b) Any law to the contrary notwithstanding, the legislature declares that as a matter of public policy, no public funds shall be used to pay employees for work not performed or to pay employees overtime pay, compensatory time credit, or any other penalty unless it is directly related to actual work that is performed. For purposes of this limitation, actual work may include actual time spent in traveling to and from home and work in excess of an employee's normal commute time and actual time that an employee is required to standby for the purpose of responding to an emergency. This limitation does not preclude negotiations under part III or adjustments under part IV with respect to:

- (1) Paid leaves, paid holidays, and other paid time off from work that are allowed as employee benefits; or
- (2) Compensation for overtime work, whether premium pay, compensatory time credit, or other penalty, if it is based on the amount of actual work performed; provided that no other pay, credit, or penalty shall be allowed for time not worked, unless an employee's health and safety is involved. In such case, an employee may be allowed paid time off to rest on a

regular workday because of the actual hours the employee was required to work with little or no rest due to an emergency.

Any provisions negotiated under part III or adjusted under part IV that provide for the use of public funds for purposes prohibited under this subsection shall not be valid or enforceable after June 30, 2001.

§ -93 Leaves. (a) Employees shall be entitled to vacation leave, sick leave, and other leaves, with or without pay, as negotiated under collective bargaining agreements in part III, provided in executive orders or directives in part IV, or rules, as applicable; provided that leaves shall be consistent with all limitations or requirements under this section.

(b) The vacation leave and sick leave allowances for all employees hired after June 30, 2000 shall limited as provided for in this section:

- (1) After the completion of twelve months of service, no more than eighty hours of vacation leave and eighty hours of sick leave shall be allowed.
- (2) After the completion of each succeeding twelve months of service thereafter, no more than eight additional hours of vacation leave and eight additional hours of sick leave shall be allowed for each twelve-month period, subject to the maximum allowances under (3).
- (3) The maximum allowances for vacation leave and sick leave shall be no more than one hundred and twelve hours.

In operations where employees do not earn or use vacation or sick leave credits in essentially the same manner as twelve-month employees on a forty hour per week work schedule, the appropriate authority shall ensure that the equivalent of the limitations under this subsection shall also apply to employees in those operations who are hired after June 30, 2000. The limitations under this subsection do not prohibit negotiations under part III or adjustments under part IV with respect to vacation and sick leave allowances as long as the allowances do not exceed the limitations of this subsection which apply specifically to employees hired after June 30, 2000.

(c) Vacation and sick leave allowances shall be recorded and administered on a calendar year basis. The allowance accruing during each calendar year shall be credited to employees as of December 31 of each year.

(d) Any unused vacation and sick leave allowances, which are not used by an employee during the year in which it accrues, shall accumulate for succeeding years, except that the total recorded accumulation of vacation shall be:

- (1) No more than seven hundred and twenty hours for employees hired before July 1, 2000; and
- (2) No more than three hundred and sixty hours for employees hired after June 30, 2000.

No employee shall be granted or permitted to take a vacation in any calendar year in excess of the maximum accumulation allowed in this subsection.

(e) When an employee is transferred from one department to another within the same jurisdiction or to another department within another jurisdiction, the employee shall be given credit for the vacation earned or accumulated in the department from which the employee transferred, and the director of finance of the State or the equivalent officers of the several jurisdictions shall make the appropriate transfer of funds to implement the employee transfer. Moneys received from any such transfer of funds by a state department financed by the general fund of the State shall be deposited with the director of finance of the State to the credit of the general fund of the State; provided further that when an officer or employee is transferred from one department to another within the same jurisdiction, the transfer of funds shall not be made if the employee's salary is paid from the same fund. Compensation for any period of vacation allowance shall be paid at the rate to which the employee is entitled at the time the allowance is granted.

(f) Upon the termination of an employee's services, the employee shall be entitled to all of the employee's accumulated vacation allowance plus the employee's current accrued vacation allowance to and including the date of termination,

notwithstanding that the current accrued vacation allowance may not have been recorded at the time.

If any employee dies with accumulated or current accrued vacation earned but not taken, an amount equal to the value of the employee's pay over the period of such earned vacation, and any earned and unpaid wages, shall be paid to the person or persons who may have been designated as the beneficiary or beneficiaries by the employee during the employee's lifetime in a verified written statement filed with the comptroller or other disbursing officer who issues warrants or checks to pay the employee for the employee's services as a public employee, or, failing the designation, to the employee's surviving spouse or reciprocal beneficiary, or, failing the surviving spouse or reciprocal beneficiary, to the employee's estate.

(g) Whenever an employee's service is to be terminated, voluntarily or involuntarily, the service may be terminated, at the option of the appointing authority, and the separating employee may be paid, in lieu of the employee's vacation allowance, the amount of compensation to which the employee would be entitled or which the employee would be allowed during the vacation period if the employee were permitted to take the employee's vacation in the normal manner, and in such case the employee's position may be declared vacant and may be permanently filled by a new appointee before the expiration of any vacation period following the date of the termination. For an employee hired after June 30, 1997, whose service is to be terminated, voluntarily or involuntarily, the amount of compensation to be paid in lieu of vacation allowance under this subsection shall be computed using the rate of pay and amount of accumulated and accrued vacation on the date the employee is terminated. Prompt notice upon such forms and in such manner as may be required shall be given by the department head of any action taken under this provision.

§ -94 Leave sharing. A leave sharing program may be established by the chief executive of a jurisdiction to allow employees to donate accumulated vacation leave credits to another employee within the same jurisdiction who has a serious personal illness or injury or who has a family member who has a serious personal illness or injury. The program shall allow employees who are not entitled to vacation leave to donate accumulated sick leave credits. The director shall develop rules governing donors, recipients, and an approval process that ensures fair treatment and freedom from coercion of employees and imposes no undue hardship on the employer's operations. If it is administratively unfeasible to allow leave sharing between different departments or different bargaining units, the rules may limit leave sharing to employees within the same department or same bargaining unit, as necessary. At a minimum, the rules shall require that an eligible recipient must have:

- (1) No less than six months of service within the respective jurisdiction;
- (2) Exhausted or is about to exhaust all vacation leave, sick leave, and compensatory time credits; provided, however, that sick leave need not be exhausted when the illness or injury involves a family member;
- (3) A personal illness or injury certified by a competent medical examiner as being serious and the cause of the recipient's inability to work; provided that, the illness or injury is not covered under chapter 386 or, if covered, all benefits under chapter 386 have been exhausted or, a family member whose illness or injury is certified by a competent medical examiner as being serious; and
- (4) No disciplinary record of sick leave abuse within the past two years.

§ -95 Credits for employees receiving workers' compensation benefits; wage supplement. (a) Where an employee is absent from work because of injuries incurred within the scope of the employee's employment and the employee is receiving workers' compensation benefits, the employee shall continue to earn vacation, sick leave, and retirement credits as though the employee were not absent but performing duties of the employee's regular employment. Section 386-57 or any other law to the contrary notwithstanding, the employee may elect to have deducted from

the employee's workers' compensation benefit checks an amount calculated in the same manner as if the employee were not absent but performing duties of the employee's regular employment to be used as the employee's contribution to the retirement system.

(b) An employee who is receiving workers' compensation wage loss replacement benefits may use the employee's accumulated sick leave credits to supplement the workers' compensation wage loss replacement benefits to a sum equal to the employee's regular salary.

§ -96 Injured employee; liability of third persons. (a) Whenever any police officer, firefighter, or any other employee, who is temporarily exposed to unusually hazardous conditions or is a member of a class that is recognized by repricing to be exposed to unusually hazardous conditions, receives personal injury arising out of and in the performance of his duty and without negligence on his part, the employee shall be placed on accidental injury leave unless suspended or dismissed for cause. The employee shall be continued on the department's payroll, as though he did not sustain an industrial injury, as follows:

- (1) During the first four months of disability, at the employee's full regular monthly salary; and
- (2) Thereafter, during the period of total disability from work, at sixty per cent of the employee's regular monthly salary.

The employee shall be entitled to all rights and remedies allowed under chapter 386; provided that any salary paid under this section shall be applied on account of any compensation allowed the employee chapter 386 or any benefits awarded the employee under part III of chapter 88.

(b) When the employer pays benefits to or incurs medical expenses on behalf of its employees under this section for any injury sustained under circumstances creating in some person or entity other than the employer a legal liability to pay damages in respect thereto, the employer or the employee may proceed against such third persons and recover all payments made, paid or due under this section. The employer or employee shall have all of the rights and remedies contained in or provided for under section 386-8.

§ -97 Temporary inter- and intra-governmental governmental assignments and exchanges. (a) With the approval of the respective employer, a governmental unit of this State may participate in any program of temporary inter- or intra-governmental assignments or exchanges of employees as a sending or receiving agency. "Agency" means any local, national, or foreign governmental agency or private agency with government sponsored programs or projects.

(b) As a sending agency, a governmental unit of this State may consider its employee on a temporary assignment or exchange as being on detail to a regular work assignment or on leave of absence without pay from the employee's position. The employee on temporary assignment or exchange shall be entitled to all rights and benefits as any other employee on a regular work assignment.

(c) As a receiving agency, a governmental unit of this State shall not consider the employee on a temporary assignment or exchange who is detailed from another government as its employee, except for the purpose of disability or death resulting from personal injury arising out of and in the course of the temporary intergovernmental assignment. The employee on detail may not receive a salary from the receiving agency, but the receiving agency may pay for or reimburse the other government for the costs, or any portion of the costs, of salaries, benefits, and travel and transportation expenses if it will benefit from the assignment or exchange.

(d) An agreement consistent with this section and policies of the employer shall be made between the sending and receiving agencies on matters relating to the assignment or exchange, including but not limited to supervision of duties, costs of salary and benefits, and travel and transportation expenses.

(e) As a receiving agency, a governmental unit of this State may give the employee of another government on a temporary assignment or exchange an exempt appointment and grant the employee rights and benefits as other exempt appointees of the receiving agency if it will benefit from the assignment or exchange.

§ -98 In-service training programs. (a) Each director shall monitor, make recommendations, or develop policies and guidelines for suitable in-service training programs and activities so that the quality of service rendered by government employees may be continually improved. Participating agencies may be charged fees for training programs.

(b) In the case of the State, funds necessary for developing and operating in-service training programs and activities shall be provided by general fund appropriations. Additional revenues from the charging of participant fees shall be placed in a revolving fund of the department of human resources development.

§ -99 Incentive and service awards. (a) Each chief executive may establish incentive and service awards programs to recognize officers and employees who contribute to the efficiency, economy, or other improvement of government operations or who perform exceptionally meritorious special acts or services in the public interest in connection with or related to their official employment. The programs may allow appointing authorities to establish their own programs consistent with the policies of the chief executive.

(b) The program may provide for cash awards to recognize suggestions, inventions, superior accomplishments, length of service, and other personal efforts. A cash award shall be in addition to the officer's or employee's regular compensation. The acceptance of a cash award shall constitute an agreement that use by the government of any idea, method, or device for which the award is made shall not form the basis of a further claim upon the government by the employee or the employee's heirs and assigns.

(c) Awards and expenses for programs may be paid from funds available to the departments benefiting from the officer's or employee's contribution, as determined by the chief executive or the appointing authority, as applicable. All decisions made on the issuance of awards under this section shall be final and deemed a performance of a discretionary function of the chief executive or appointing authority.

§ -100 Cafeteria plans. (a) Each chief executive may establish a wage and salary reduction benefit program which qualifies as a cafeteria plan within the meaning of section 125 of the Internal Revenue Code of 1986, as amended. The cafeteria plan shall allow eligible employee to elect to reduce their pretax compensation in return for payment by the jurisdiction of the expenses of eligible benefits.

(b) The contributions, interest earned, and forfeited participant balances may be held in trust outside of the jurisdiction's treasury for the benefit of the participants and the plan. The funds in trust shall not be subject to the jurisdiction's general creditors. Interest earned or forfeited participant balances may be used to defray participant fees and other administrative costs.

§ -101 Prohibition on certain increases in salaries for certain employees. Any law to the contrary notwithstanding, each jurisdiction shall not provide or pay any adjustment or increase in the employee's respective salary or compensation where such adjustment or increase constitutes a mandatory adjustment or increase which is, directly or indirectly, dependent upon and related to negotiated salary adjustments or increases received under collective bargaining agreements by civil service or other public employees covered by collective bargaining to any elected or appointed employee of a jurisdiction:

- (1) Whose salary or compensation is fixed, limited, or otherwise specified by statute, ordinance, or other legislative enactment whether or not in express dollar amounts or express dollar amount ceilings;
- (2) Who is not subject to part II; and
- (3) Who is excluded from collective bargaining and not subject to part III.

§ -102 Boards and commissions; service limited. (a) Any other provision of law to the contrary notwithstanding, no person shall be allowed to serve on more than one state board or commission expressly created by a state statute or the state constitution.

(b) Any prohibition in any law against the holding of outside employment or dual public office, employment, or position by

an employee shall not bar the appointment of an employee to membership on a commission or board unless service on the commission or board would be inconsistent or incompatible with or would tend to interfere with the duties and responsibilities of the other office, employment or position held by the employee.

(c) When any employee must be away from the employee's regular work because of service as a member on a board or commission, the employee shall not, as a result of the absence, suffer any loss of the employee's regular salary or wages. The time spent in service as a board or commission member shall not be credited as time worked for purposes of overtime compensation.

§ -103 Certain public employees prohibited from receiving certain masterships and master's fees; forfeiture.

(a) No person holding any salaried office or employment or holding any office or employment any part of the compensation for which is paid by a jurisdiction, shall be appointed to serve as master to examine, pass, or report upon any account filed in any court of the State by any guardian, trustee, or personal representative except where the estate concerned is insolvent or there are insufficient funds therein to pay a reasonable master's fee.

(b) The master shall not receive, directly or indirectly, any fee or other remuneration for services rendered as master to examine, pass, or report upon any account filed in any court of the State by any guardian, trustee, or personal representative. The person receiving or accepting the fee or remuneration shall by virtue of the acceptance be deemed to have released and forfeited all claim and right thereafter to any compensation payable by the jurisdiction by virtue of the office or employment, and in addition, if the person is holding an office or employment, subject to the power of the legislature of the State to provide for forfeiture thereof as herein provided, shall be deemed to have forfeited and been ipso facto discharged from the person's office or employment. In any event, upon acceptance of the fee or remuneration, the comptroller of the jurisdiction is prohibited from issuing any warrant to the person except for services rendered prior to the forfeiture.

(c) This section shall not apply to officers whose only compensation from the government is paid pursuant to any state statute upon a per diem basis or upon a fee basis, or to officers or employees appointed or employed by contract to render a temporary professional service. Traveling or other expenses paid or payable by the jurisdiction to any officer or employee shall not be deemed to be compensation.

§ -104 Failure to appear or testify, termination of employment; procedure. (a) The persons subject to this section are those elected to or appointed or employed in a jurisdiction, or appointed to or employed in any office or employment for which any part of their compensation is paid out of public funds.

(b) If any person under subsection (a), after lawful notice or process, willfully refuses or fails to appear before any court or judge, any legislative committee, or any officer, board, commission, or other body authorized to conduct any hearing or inquiry, or having appeared refuses to testify or to answer any question regarding:

- (1) The government, property or affairs of the State or of any political subdivision thereof; or
- (2) The person's qualifications for public office or employment (including matters pertaining to loyalty or disloyalty); or
- (3) The qualifications of any officer or employee of the State or any political subdivision thereof, on the ground that the person's answer would tend to incriminate the person, or refuses to testify or to answer any such question without right;

the person's term or tenure of office or employment shall terminate and the office or employment shall be vacant, and the person shall not be eligible to election or appointment to any office or employment under the jurisdiction. To the extent that the State is without authority to require, under the constitution or laws of the United States, compliance by any public officer or public employee, this section shall apply to the extent that the section or any part thereof can lawfully be made applicable.

(c) If any person refuses to appear or refuses to testify under any of the circumstances contemplated in (b), the presiding judge or officer of the court or body before which the default or refusal occurs shall certify the fact thereof to the appointing or employing authority having cognizance of the person as a public officer or public employee and to the comptroller or other disbursing officer who issues warrants or checks to pay the person for the person's services as a public officer or public employee. If the default or refusal occurs before any court or body whose presiding judge or officer may not be required by the legislature to make and file such a certificate, then:

- (1) The presiding judge or officer may make and file the certificate; and
- (2) The attorney general of the State, upon learning of the default or refusal, shall make and file the certificate if the presiding judge or officer of the court or body has not filed the same.

Upon receiving a certificate:

- (A) The appointing or employing authority shall remove or discharge the person from office or employment; and
- (B) The comptroller or other disbursing officer shall make no further payments of public funds to the person, except to pay the person the salary, wages, bonus, or other compensation to which the person otherwise would be entitled if the person were voluntarily terminating the person's office or employment on the day the order is served on the comptroller or other disbursing officer.

(d) The removal or discharge of any person from office or employment shall not be reviewable by any court, officer, or agency of a jurisdiction but nothing herein shall preclude any court of competent jurisdiction from reviewing the question whether the removal or discharge is in accordance with this section. In the case of any officer who may only be removed from office by the governor by and with the advice and consent of the senate of the State, the removal of the officer shall not be effected until the advice and consent of the senate thereto is given, but the duties of the comptroller or other appropriate disbursing officer specified in (c) shall remain the same.

§ -105 Limitation of liability. Except in cases of gross negligence, no public officer or employee shall be liable for damages to government property if such damages to government property were caused by the public officer or employee while performing work within the scope of the officer's or employee's employment.

§ -106 Sureties. Whenever by any law, regulation, ordinance, rule or order of court, or any rule of any department of the state government or of any subdivision thereof, any person shall be required to give any written bond or undertaking for the performance of any contract or the provisions of any license, or for the indemnity or security of any person, party or any officer, there shall be attached to the bond or undertaking an affidavit of each of the sureties thereon, duly verified by oath, from which it shall appear that the sureties have property situate within the State subject to execution and that the sureties taken together are worth in the property the amount of the penalty specified in the bond or undertaking, over and above all of their debts and liabilities. In default of the justification no bond or undertaking shall be accepted. Notwithstanding any provision requiring two or more sureties, if any such bond or undertaking is executed by the principal and by any corporation, organized for the purpose of becoming surety on such bonds, authorized under the laws of the United States or of the State to act as surety, and doing business in the State under the provisions of the laws of the United States or of the State, if a foreign corporation, and under the laws of the State, if a Hawai'ian corporation, the corporation may be accepted as sole surety on the bond, whenever, in the opinion of the officer or officers whose duty it is to approve the bond, the rights of all parties in interest will be fully protected. When the surety on any such bond is a corporation authorized to do a surety company business, no justification shall be required.

Nothing herein shall be deemed to prevent the deposit of cash or other security in lieu of any surety or sureties, when

permitted by the law, regulation, ordinance, rule or order concerned.

PART VI. DRUG FREE WORKFORCE

§ -121 Purpose. Drug abuse is a serious statewide problem. Individuals may exhibit little or no signs of drug abuse, but are nevertheless dangerous to themselves, their co-workers, and the public. Public employees in safety sensitive positions pose a particular risk to the safety of the public. Even if functional in routine activities, public employees who use controlled substances are impaired and may be unreliable in times of crisis. Drug abusers should not be given access to guns with the concomitant potential for violence; should not be given access to prisoners with the possibility of exacerbating any existing drug problem in the prison; should not be given access to controlled substances with the inevitable opportunity to succumb to the temptation; should not be entrusted with commercial motor vehicles with the potential for accidents and loss of life; should not be given positions the public must rely upon for judgment and integrity; and should not be given positions involving highly sensitive information.

Accordingly, this part requires:

- (1) The termination of all public employees who use drugs twice during the period of employment;
- (2) All new hires to demonstrate their suitability for public employment by passing a pre-employment drug test if required by the employing jurisdiction and having no record of a prior conviction for a controlled substance-related offense within the preceding five-year period; and
- (3) Mandatory random drug testing for all public employees whose jobs require unimpeachable integrity and judgment, enhance public safety, impact the care of human life, require unimpaired performance to avoid risk to the health or safety of the public, or involve the custody and maintenance of truly sensitive information;

and shall be interpreted in a manner that best protects these compelling governmental interests.

§ -122 Definitions. For purposes of this part:

"Controlled substance" means a drug, substance, or immediate precursor in Schedules I through V of chapter 329, part II.

"During the period of employment" means the start date of employment until the date of separation and includes off-duty hours, holidays, and weekends.

"Safety sensitive positions" means positions which require unimpeachable integrity and judgment, enhance public safety, impact the care of human life, require unimpaired performance to avoid risk to the health and safety of the public, or involve the custody and maintenance of truly sensitive information, including but not limited to the following categories:

- (1) Positions requiring the ability to carry firearms, including police officers, adult corrections officers, harbor patrol officers, department of land and natural resources patrols, investigators for the Department of the Attorney General, the Prosecuting Attorney, and the Department of Public Safety, State Law Enforcement Officers, sheriffs, and any other positions authorized to carry firearms;
- (2) Positions located in an adult correctional facility or youth correction facility including social workers, medical personnel, education, kitchen, office, and work-line staff, treatment providers, and counselors, and supervisors of these positions;
- (3) Positions authorized to administer controlled substances including doctors, nurses, emergency medical technicians, and physician assistants;
- (4) Positions requiring a commercial drivers license;
- (5) Positions requiring unimpaired performance to avoid risk to the health or safety of the public including drivers of passenger carrying vehicles or equipment vehicles;
- (6) Lifeguards, water safety officers, firefighters, and other positions involved in life-saving activities, responding to emergencies, or rescue operations;

- (7) Positions with responsibility for the security of government buildings;
- (8) Positions requiring unimpeachable integrity and judgment including deputy attorney generals, deputy corporation counsels, and deputy prosecuting attorneys, but excluding members of the judiciary; and
- (9) Positions which involve the custody and maintenance of truly sensitive information including public employees who must have a military security clearance in order to perform their jobs.

§ -123 Safety-sensitive positions; mandatory drug testing and termination for two strikes. (a) Each director shall identify all safety sensitive positions within its jurisdiction, consistent with the purpose of this part, that shall be required to undergo mandatory random controlled substance testing. To implement this part, the director shall establish a written policy setting forth the manner in which individuals are chosen to be tested, the type of test to be given, and the consequences of a positive controlled substance test, including adverse actions, additional testing, counseling and treatment, and any other requirements.

(b) All public employees in safety sensitive positions in the jurisdiction shall be required to undergo mandatory random controlled substance testing pursuant to the director's written policy.

(c) There is a rebuttable presumption that a public employee testing positive for a controlled substance during the period of employment was in fact using controlled substances during the period of employment.

(d) Any conviction for a controlled substance-related offense which occurred during the period of employment shall be an irrebuttable presumption that the public employee was in fact using controlled substances during the period of employment.

(e) Any public employee covered by this section, using controlled substances once during the period of employment, may be placed on mandatory leave, be required to undergo additional drug testing, and be required to receive counseling and treatment pursuant to the director's written policy.

(f) Any public employee using controlled substances twice during the period of employment shall be immediately terminated and shall be ineligible for public employment for not less than five years thereafter.

(g) Any adverse action taken against an employee for using controlled substances may be grieved and appealed as provided in section -25, as other adverse actions taken for non-disciplinary reasons.

(h) An exclusive representative may negotiate procedures on maintaining a drug free workforce as it applies to safety sensitive employees within its bargaining unit; provided that any procedures negotiated shall be consistent with the provisions in this part and do not interfere with the responsibilities required of the director in subsection (a). If there are provisions in a collective bargaining agreement that are inconsistent with this part, the inconsistent provisions shall not be valid and enforceable and the parties shall repeal or amend the provisions to be in conformance with this part.

§ -124 Prospective employees; suitability for public employment. (a) All prospective employees, regardless of the positions they will assume, may be required to demonstrate their suitability for public employment by:

- (1) Passing a pre-employment controlled substance drug test if required by the employing jurisdiction; and
- (2) Attesting that during the five year period immediately preceding the date of application for employment, the person was not convicted of any controlled substance-related offense.

(b) A failure to meet any of the requirements of subsection (a) shall result in a determination of unsuitability and the person may be ineligible for appointment under the provisions of section -21.

§ -125 Mandatory termination for two convictions. (a) All public employees in positions that are not covered by section -123, regardless of the positions they occupy, shall be subject during the period of employment to a determination of unsuitability resulting in immediate termination if they are

convicted twice for a controlled substance-related offense. In implementing this section, subsections -123(d), (f), and (g) shall apply.

(b) Each director shall adopt rules necessary to implement this section."

PART II.

SECTION 3. The legislature finds that as the State begins the new millennium, the citizens of Hawai'i require, demand, and deserve a government that is responsive, efficient, and flexible in order to address the ever-changing needs of a modern society. To effectively provide for the requirements of the twenty-first century, state government must reinvent itself and the way it operates so that it will cost less, work better, and get measurable results. As such, it is the objective of the legislature to restructure state government into an organization that provides:

- (1) The best value for every taxpayer dollar;
- (2) The best service for each customer and regulated business;
- (3) The best workplace for its employees; and
- (4) The best legacy for Hawai'i's future.

The purpose of this part is to provide the governor with tools necessary to facilitate the restructuring of the executive branch of state government. Specifically, this part authorizes planned workforce reduction programs to offer a voluntary severance benefit or an early retirement incentive to encourage employees in positions that will be eliminated to voluntarily separate from service. Layoffs customarily result in reduced productivity because of operational adjustments necessary for placement/bumping rights, lowered morale of less senior employees who fear being bumped, and heightened frustration of those employees who meet the service, but not the age, requirements to qualify for immediate retirement benefits. By offering a voluntary severance benefit or an early retirement incentive, workforce reductions can be made more expeditiously and the disruption to operations and personal lives that usually accompany forced layoffs can be minimized or avoided.

SECTION 4. This part applies to employees in the executive branch of state government, including employees of the board of education, the board of regents, and the Hawai'i health systems corporations board. For the purposes of this part, "employee" means an individual covered under chapter 88 and employed with the state executive branch, except for school level personnel with the department of education engaged in administrative or instructional work, such as, principals and teachers.

This part may apply to county employees covered under chapter 88 and employed with the city and county of Honolulu, county of Hawai'i, county of Kauai or county of Maui should the county chief executive declare by providing notice to each of the exclusive collective bargaining representatives for public employees and to the board of trustees for the employees' retirement system that the county will initiate a planned workforce reduction program in conjunction with the offering of a voluntary severance benefit or an early retirement incentive program.

This part does not apply to the state legislature, the judiciary or the office of Hawai'ian affairs.

SECTION 5. Voluntary severance benefit. (a) Any employee who receives official notification or a ninety day notice of a reduction-in-force from an appointing authority that the employee's position is specifically eliminated or eliminated as a result of a workforce reduction plan proposed by the department, may elect to receive a voluntary severance benefit under this section in lieu of any reduction-in-force rights to which the employee is entitled under a collective bargaining agreement or rules. An employee who is not entitled to reduction-in-force rights shall not be eligible to receive a voluntary severance benefit under this section. An employee who elects to receive the early retirement incentive under section 6 shall not be paid a voluntary severance benefit under this section. An employee who receives a reduction-in-force notice as the result of a reduction-in-force bumping action shall not be eligible to receive a voluntary severance benefit under this section.

(b) A one-time lump sum cash bonus voluntary severance benefit shall be calculated and paid by the terminated employee's department as follows: Five per cent of the employee's base annual salary for every year of service worked, up to ten years, that shall not exceed fifty per cent of the employee's annual base salary.

For the purposes of this section, "base salary" means an employee's annual salary for the position from which the employee is to be separated, excluding all other forms of compensation paid or accrued, whether a bonus, allowance, differential, or value of leave or compensatory time off credits. Compensation excluded from base salary include but are not limited to: shortage category differential, night shift differential, overtime, compensatory time off credits, vacation or sick leave, and workers' compensation benefits.

(c) A voluntary severance benefit provided under this section shall not be considered as a part of a terminated employee's salary, service credit, or a collectively bargainable cost item when calculating retirement benefits or sick and vacation leave.

(d) The voluntary severance benefit shall be in addition to any payment owing to the employee for accumulated unused vacation allowances.

(e) All voluntary severance benefits payable pursuant to this section shall be subject to applicable state income tax laws and rules.

(f) No employee who has received a voluntary severance benefit provided by this section shall be reemployed by the employee's immediate former State or county employer within five years of receiving the voluntary severance benefit unless the gross amount of the voluntary severance benefit is returned by the employee to the appropriate fund prior to the commencement of reemployment.

(g) The heads of all affected state departments shall transmit a list of all employees whose positions are eliminated and who elected and received voluntary severance benefits under this section to the directors of finance and human resources development. The heads of all affected departments shall certify that the employees on the list have in fact selected the voluntary severance benefit, which shall be in lieu of an early retirement incentive under section 6 and any reduction-in-force rights to which the employees may have been entitled.

SECTION 6. Early retirement incentive. (a) Any employee who receives official notification or a ninety day notice of reduction-in-force notification from an appointing authority that the employee's position is specifically eliminated or eliminated as a result of a workforce reduction plan proposed by the department, may elect, if the employee is a vested member of the employees' retirement system and meets any of the criteria specified in subsection (c), the early retirement incentive provided by this section. If an employee is also eligible for a voluntary severance benefit under section 5, the early retirement incentive shall be in lieu of the voluntary severance benefit and any reduction-in-force rights the employee may be entitled to under a collective bargaining agreement or rules. An employee who receives reduction-in-force notice as the result of a reduction-in-force bumping action shall not be eligible to receive the early retirement incentive benefit under this section. To receive the early retirement incentive under this section, the employee shall comply with the requirements specified in subsection (b).

(b) An employee who elects to retire and receive the early retirement incentive under this section shall notify the employee's department by filing a formal application for retirement not less than thirty days nor more than ninety days prior to the date of retirement.

(c) Notwithstanding the age and length of service requirements of sections 88-73 and 88-28, an employee shall qualify for the early retirement incentive if, on the member's retirement date, the member meets any of the following criteria:

- (1) Has at least ten years of credited service as a contributory class A or B member and is at least fifty years of age;
- (2) Has at least twenty years of credited service as a contributory class A or B member, irrespective of age;

(3) Has at least ten years of credited service as a noncontributory class C member and is at least fifty-seven years of age; or

(4) Has at least twenty-five years of credited service as a noncontributory class C member, irrespective of age.

(d) Any employee who exercises the option of early retirement under this section who does not qualify with respect to the age and length of service requirements under section 88-73 to receive a retirement benefit without penalty, shall not have the retirement benefit reduced in accordance with the actuarial formula normally used by the employees' retirement system for the calculation of early retirement benefits.

(e) The member shall forfeit any benefit derived from the early retirement incentive, as determined by the board of trustees of the employee's retirement system, upon subsequent reentry into the employees' retirement system.

(f) The heads of all affected state departments and the chief executive of participating county shall transmit a list of employees whose positions are eliminated and who elected and received early retirement incentives under this section to the board of trustees of the employees' retirement system not less than thirty days but not more than ninety days prior to the employees' retirement dates. The heads of the affected department or chief executive of the county shall certify that the employees on the list have in fact selected the early retirement incentive, which shall be in lieu of a voluntary severance benefit under section 5 and any reduction-in-force rights to which employees may have been entitled.

SECTION 7. All positions vacated by employees who are provided a voluntary severance benefit under section 5 or an early retirement incentive under section 6 shall be abolished upon the employees' separation from service. All funds allocated for the salary of the position vacated and abolished pursuant to this part shall be lapsed to the appropriate fund from which the position is funded, as applicable, upon the separation of the employee and after the deduction of amounts sufficient to cover the voluntary severance benefit or the costs, direct or indirect, associated with the retiring employee's early retirement incentive, and the accumulated vacation leave of the employee who occupied the position.

All state departments affected by the voluntary severance benefit and early retirement incentive authorized by this part shall reduce its personnel count by the equivalent of each voluntary severance benefit and each early retirement incentive conferred. Each state department shall forward a report on the positions affected to the directors of finance and human resources development who shall then abolish the vacated positions from the appropriate budget and personnel data files.

Each participating county shall initiate appropriate action to abolish vacated positions from the appropriate budget and personnel files.

SECTION 8. The department of human resources development and the department of budget and finance for the state and the respective county directors of personnel and finance for the participating county shall develop guidelines for participating agencies to facilitate the implementation of the voluntary severance benefit provided in section 5 and the early retirement incentive provided in section 6.

SECTION 9. The department of human resources development, in cooperation with the employees' retirement system, shall for the state and the county director of personnel and employees retirement system shall for the participating county provide briefings prior to the implementation of any strategic workforce reduction plan to educate those employees whose positions are being eliminated.

SECTION 10. The governor and respective mayors for each participating county shall report to the legislature no later than twenty days prior to the convening of each regular session on the restructuring or reengineering activities initiated within the various departments and the positions abolished by offering a voluntary severance benefit or an early retirement incentive as a consequence of this part.

SECTION 11. The board of trustees of the employees' retirement system shall make payments with respect to all eligible employees who retire pursuant to section 6. The board shall determine the portion of the additional actuarial present

value of benefits to be charged to the State or participating county, based on retirements under the early retirement incentive program. If necessary, the State or participating county shall make additional payments to the employees, retirement system in the amounts required to amortize the additional actuarial present value of benefits over a period of twenty years beginning January 1, 2001.

PART III.

SECTION 12. Chapter 40, Hawai'i Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§40- Salary withheld for indebtedness to the government; salary or wage overpayment. (a) In case any officer, agent, employee, or other person in the service of the State, any county, or any independent board or commission, is indebted to the State, any county, or any independent board or commission, and the indebtedness has been determined by a hearing pursuant to chapter 91, upon demand of the officer charged with the duty of collecting the indebtedness, the comptroller or other officer charged with the duty of paying the indebted officer, agent, employee, or other person, after notice to the indebted person, shall withhold one-quarter of the salary, wages, or compensation due the indebted person and pay the same, from time to time as the same shall become due, to the officer charged with the duty of collecting the indebtedness, until the full amount of the indebtedness, together with penalties and interest thereon, is paid.

(b) If the indebtedness has arisen or been incurred by reason of the indebted officer, agent, employee, or other person having embezzled, stolen, or otherwise unlawfully acquired any moneys or other property of the State, any county, or any independent board or commission, the whole amount of the salary, wages, or compensation, or so much thereof as may be required to pay the indebtedness in full, shall be withheld and paid over to the officer charged with the duty of collecting the indebtedness.

(c) The officer, agent, employee, or other person in the service of the State, any county, or any independent board or commission alleged to be indebted to the State, any county, or any independent board or commission may waive the right to a hearing to determine the indebtedness and instead assign by contract to the officer charged with the duty of collecting debts:

(1) The priority right to payment of the total amount of the alleged indebtedness; and

(2) The right of the officer to deduct from each and every periodic payment normally due the assignor an amount equal to the maximum legally permissible amount deductible under garnishment law until the total amount owing is paid in full.

For purposes of this section, a person shall be deemed to waive the hearing if the person fails to request a hearing within fifteen days from the date the person was notified of the indebtedness and the opportunity to request a hearing.

(d) The operation of all garnishment processes served upon the comptroller or other paying officer shall be stayed until the indebtedness has been fully paid.

(e) A salary or wage overpayment made to an employee or former employee shall not be considered as indebtedness under this section. Notwithstanding the provisions of Chapter 91 the comptroller or appropriate officer of a jurisdiction shall establish payroll overpayment procedures for the expeditiously recovery of the salary or wage overpayment.

For employees still in the service of the jurisdiction, recovery shall commence at the next earliest pay date possible, through payroll deduction in accordance with a salary offset repayment schedule, if the employee has not agreed to a voluntary repayment plan within prescribed time limits.

The comptroller or appropriate officer of a jurisdiction shall establish a salary offset repayment schedule that may vary according to the overpayment amount or other appropriate criteria. Amounts in accordance with the schedule shall be deducted from any subsequent wages, salaries, or compensation due the employee until the overpayment amount is repaid in full, if the employee has not agreed to a voluntary repayment plan within prescribed time limits. Whenever the salary offset repayment schedule is used, the employee shall be informed of

the offset dates and amounts at least ten calendar days prior to making the first offset.

The comptroller or appropriate officer of a jurisdiction shall also establish a method for the crediting of interest on any monies paid or recovered that are in excess of the correct overpayment amount. The interest shall be payable to the employee if it is subsequently discovered that the overpayment determination was in error.

Before any deductions are made to recover a salary or wage overpayment, the appointing authority shall give the employee:

(1) Written notice of the overpayment amount with an explanation of how the overpayment amount was determined. A copy of the notice and explanation shall also be given to the employee's exclusive representative if required under a collective bargaining agreement.

(2) Opportunity to enter into a voluntary agreement to repay the overpayment amount by cash, payroll deduction, or applying the value of appropriate leave or compensatory time credits available to the employee, or any combination thereof. A voluntary repayment plan must be acceptable to and approved by the appointing authority or designee.

(3) Opportunity to dispute the overpayment amount if the employee disagrees with the overpayment determination through the departmental complaint procedure; provided that, if the employee is covered under a collective bargaining agreement, the employee shall utilize the contractual grievance procedure instead to dispute the overpayment amount.

The appointing authority shall commence immediate recovery of the overpayment amount, regardless of whether a dispute on the overpayment amount is still pending, in accordance with the employee's approved voluntary repayment plan or the salary offset repayment schedule, as applicable. If it is subsequently discovered that any monies repaid or recovered is in error, the employee shall be refunded all monies paid or recovered in excess of the correct overpayment amount, including applicable interest payable on the excess amount, and be re-credited any leave or compensatory time credits that was applied in excess of the correct overpayment amount.

Any overpayment recovery procedures, including those contained in a collective bargaining agreement, that are not consistent with this subsection shall be repealed or modified accordingly by mutual agreement of the parties to be consistent with this subsection and procedures established by the comptroller or other appropriate officer of the jurisdiction pursuant to this subsection."

For former employees no longer in-service, the comptroller or appropriate officer of a jurisdiction shall establish payroll overpayment procedures subject to Chapter 91 for the expeditiously recovery of the salary or wage overpayment.

SECTION 13. Chapter 40, Hawai'i Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§40- Salary periods. (a) All officers and employees shall be paid at least semimonthly except that substitute teachers, part-time hourly rated teachers of adult and evening classes, and other part-time, intermittent, or casual employees may be paid once a month. Pay days will be on the fifth and the twentieth of every month. If the fifth and the twentieth fall on a state holiday, Saturday, or Sunday, the pay day will be the immediately preceding weekday.

(b) If an employee has been working for the State for at least six months, has no paid leave accumulated, and has an existing salary overpayment balance:

(1) The employee may be paid the employee's salary on the same pay dates and for the same pay periods as non-salaried employees.

(2) Upon accumulation of eighty hours of paid leave, the employee shall be paid the employee's salary on the same pay dates and for the same pay periods as salaried employees.

(c) If an employee has been working for the State for at least six months and has had at least two incidents of leave which results in salary overpayment within the past six months:

(1) The employee may be paid the employee's salary on the same pay dates and for the same pay period as non-salaried employees.

(2) If there are no incidents of leave which result in salary overpayment for a subsequent four-month period, the employee shall be paid the employee's salary on the same pay dates and for the same pay periods as salaried employees.

(d) The implementation of this section shall not be subject to negotiation under the public employment law, part III.

(e) All employees, except those belonging to units 5 and 7, hired after June 30, 1998, shall be paid on the same pay dates and for the same pay periods as non-salaried employees. All employees belonging to units 5 and 6, hired after June 30, 2000, shall be paid on the same pay dates and for the same pay periods as non-salaried employees."

SECTION 14. Chapter 40, Hawai'i Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§40- Payment of excess vacation; forfeiture. Whenever the employee's vacation credits exceed the maximum allowable accumulated working hours, the employee shall be paid salary in lieu of vacation to the extent of the excess if, upon investigation by the comptroller of the State or the director of finance of the county, as the case may be, it is found that the excess vacation credits resulted from the employee's inability to be allowed vacation time off because of orders of the employee's appointing authority; otherwise the employee shall automatically forfeit the excess."

SECTION 15. Chapter 302A, part III, Hawai'i Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§302A- School personnel, other than teachers and educational officers engaged in instructional work. (a) The board of education shall appoint all personnel as may be required to carry of the purposes of this chapter, prescribe their qualifications and duties, and fix their compensation. For tenured positions that allow employees to remain in service subject to good behavior and competent service, the board shall establish probationary and other requirements for tenure, adopt classification/compensation plans, classify all positions accordingly, and provide a classification appeals procedure.

(b) The wages, hours, benefits, and other terms and conditions of employment for employees in collective bargaining units shall be negotiated in accordance with the public employment law, chapter , part III. The wages, hours, benefits, and other terms and conditions of employment for employees excluded from collective bargaining coverage shall be adjusted in accordance with chapter , part IV."

SECTION 16. Chapter 312, Hawai'i Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§312- Personnel of the public library system. (a) The board of education shall appoint all personnel as may be required to carry of the purposes of this chapter, prescribe their qualifications and duties, and fix their compensation. For tenured positions that allow employees to remain in service subject to good behavior and competent service, the board shall establish probationary and other requirements for tenure, adopt classification/compensation plans, classify all positions accordingly, and provide a classification appeals procedure.

(b) The wages, hours, benefits, and other terms and conditions of employment for employees in collective bargaining units shall be negotiated in accordance with the public employment law, chapter , part III. The wages, hours, benefits and other terms and conditions of employment for employees excluded from collective bargaining coverage shall be adjusted in accordance with chapter , part IV."

PART IV.

SECTION 17. Section 26-5, Hawai'i Revised Statutes is amended to read as follows:

"26-5 Department of human resources development. The department of human resources development shall be headed by a single executive to be known as the director of human resources development.

[The director shall have the authority to adopt rules as heretofore exercised by the civil service commission. Whenever consistent with economic and efficient administration, the director may delegate any of the duties imposed upon the director by chapter 76 or chapter 77 to the

department heads, or any of them, in accordance with standards and procedures issued by the director. The director shall institute and maintain a system of inspection to determine that the personnel laws are applied and administered by the departments in a manner consistent with the purposes and provisions of the civil service law. Whenever an inspection indicates failure on the part of a department to comply with established policies, rules, and standards, the director shall take any action that may be appropriate, including suspension or revocation of any delegation of the director's authority.]

The department shall administer the state human resources program, including human resources development and training, and central human resources services such as recruitment, examination, position classification, and pay administration for all departments.

There shall be within the department of human resources development a [commission] board to be known as the [civil service commission] merit appeals board which shall sit as an appellate body on matters [within the jurisdiction of the department of human resources development.] as set forth in chapter , the public employment law. [The commission shall consist of seven members, one from each county and three at large. At least one member of the commission shall be selected from among persons employed in private industry in skilled or unskilled laboring positions as distinguished from executive or professional positions. The functions, duties, and powers of the commission with respect to appeals shall be as heretofore provided by law for the civil service commission and for the loyalty board existing immediately prior to November 25, 1959.

The functions and authority heretofore exercised by the department of civil service and loyalty board as heretofore constituted are transferred to the department of human resources development established by this chapter.]

Nothing in this section shall be construed as in any manner affecting the civil service laws applicable to the several counties, the judiciary, or the Hawai'i health systems corporation, which shall remain the same as if this chapter had not been enacted."

SECTION 18. Section 88-6, Hawai'i Revised Statutes, is amended to read as follows:

"§88-6 Payment of retirement benefits. Notwithstanding any other provision of this chapter, all retirees of the state retirement system or county pension funds shall be paid semimonthly[,] and, effective January 1, 2001, all retirees shall be paid monthly."

SECTION 19. Section 88E-3, Hawai'i Revised Statutes, is amended to read as follows:

"§88E-3 Board of trustees. (a) The authority to establish the plan and [make] implement this chapter [effective] is vested in the board of trustees. The board shall be placed within the department of human resources development for administrative purposes.

(b) The board shall adopt [such rules to carry out this chapter in accordance with chapter 91.], without regard to chapter 91, rules necessary to implement this chapter. The board may engage services, as necessary, to establish, administer, or maintain the plan under its direction. An administrator may be engaged only after a solicitation of proposals from interested persons in accordance with specifications deemed appropriate by the board."

SECTION 20. Section 88E-8, Hawai'i Revised Statutes, is amended to read as follows:

"§88E-8 Deferred funds. Sums deferred under the plan, as well as property and rights purchased with such amounts and income attributable to such amounts, shall be held in trust outside the State treasury in accordance with section 457 of the Internal Revenue Code, as amended, for the exclusive benefit of participants and their beneficiaries."

SECTION 21. Section 88F-3, Hawai'i Revised Statutes, is amended by amending subsection (b) as follows:

"(b) The board shall adopt, [in accordance with] without regard to chapter 91, rules [as are] necessary to implement this chapter. The board may engage services, as necessary, to establish, administer, or maintain the plan under its direction. An administrator may be engaged only after a solicitation of

proposals from interested persons in accordance with specifications deemed appropriate by the board."

SECTION 22. Section 88F-6, Hawai'i Revised Statutes, is amended to read as follows:

"**§88F-6 Deferred funds.** Sums deferred under the plan, as well as property and rights purchased with the amounts and income attributable to the amounts, shall be held in trust outside the State treasury in accordance with section 457 of the Internal Revenue Code of 1986, as amended, for the exclusive benefit of participants and their beneficiaries."

SECTION 23. Section 304-11, Hawai'i Revised Statutes, is amended to read as follows:

"**304-11 Personnel.** [Personnel] (a) All personnel of the university [not subject to chapters 76 and 77] shall be under the direction of a president who shall be appointed by the board of regents. The board shall appoint [such deans, directors, members of the faculty, and other employees] all personnel as may be required to carry out the purposes of the institution, prescribe their [salaries and terms of service, where such salaries and terms of service are not specifically fixed by legislative enactment, make and enforce rules governing sabbatical and professional improvement leaves with or without pay, consistent with the practice of similar institutions on the mainland, and notwithstanding the laws of the State relating to vacations of the officers and employees of the State.] qualifications and duties, and fix their compensation. For tenured positions that allow employees to remain in service subject to good behavior and competent service, the board shall establish probationary and other requirements for tenure, adopt classification/compensation plans, classify all positions accordingly, and provide a classification appeals procedure.

(b) The wages, hours, benefits, and other terms and conditions of employment for employees in collective bargaining units shall be negotiated in accordance with the public employment law, chapter , part III. The wages, hours, benefits, and other terms and conditions of employment for employees excluded from collective bargaining coverage shall be adjusted in accordance with chapter , part IV."

SECTION 24. Section 312-1, Hawai'i Revised Statutes, is amended to read as follows:

"**§312-1 Duties of the board of education.** The board of education shall care for, manage, and control all property set apart, donated, loaned to, or in any manner acquired for the use of libraries; receive, care for, expend, and account for any money which may be received for the purpose of erecting buildings for libraries or for any other purposes of the libraries; collect, purchase, receive gifts of, and otherwise acquire all books and other publications proper for libraries, and arrange, classify, and catalogue the same; provide for their safekeeping; expend moneys appropriated by the legislature and otherwise acquired for the development, use, support, and maintenance of libraries; provide ways and means for placing libraries within reach of all residents throughout the State and particularly of all public and private school children; provide and maintain branch libraries, offices, or places for the distribution of books and periodicals throughout the State; make such contracts as may be necessary to carry into effect the general duties herein imposed; [appoint such officers and employees as it deems necessary;] and make rules for the management and use of libraries, and for the control of the property under its management."

SECTION 25. Section 398-1, Hawai'i Revised Statutes, is amended by amending the definition of "employer" to read:

"'Employer' means any individual or organization, [including the State, any of its political subdivisions, any instrumentality of the State or its political subdivisions,] any partnership, association, trust, estate, joint stock company, insurance company, or corporation, whether domestic or foreign, or receiver or trustee in bankruptcy, or the legal representative of a deceased person, who employs one hundred or more employees for each working day during each of twenty or more calendar weeks in the current or preceding calendar year."

PART V.

SECTION 26. Chapter 76, Hawai'i Revised Statutes, is repealed.

SECTION 27. Chapter 77, Hawai'i Revised Statutes, is repealed.

SECTION 28. Chapter 78, Hawai'i Revised Statutes, is repealed.

SECTION 29. Chapter 79, Hawai'i Revised Statutes, is repealed.

SECTION 30. Chapter 80, Hawai'i Revised Statutes, is repealed.

SECTION 31. Chapter 81, Hawai'i Revised Statutes, is repealed.

SECTION 32. Chapter 82, Hawai'i Revised Statutes, is repealed.

SECTION 33. Chapter 83, Hawai'i Revised Statutes, is repealed.

SECTION 34. Section 88E-10, Hawai'i Revised Statutes, is repealed.

["**§88E-10 Custodian of the funds.** The state director of finance shall be the custodian of the funds created under the plan. All payments from the fund shall be made by the director only upon vouchers signed by the chairperson of the board and countersigned by other persons designated by the board."]

SECTION 35. Section 88F-8, Hawai'i Revised Statutes, is repealed.

["**§88F-8 Custodian of the funds.** The state director of finance shall be the custodian of the funds created under the plan. All payments from the fund shall be made by the director only upon vouchers signed by the chairperson of the board and countersigned by other persons designated by the board."]

SECTION 36. Chapter 89, Hawai'i Revised Statutes, is repealed.

SECTION 37. Chapter 89A, Hawai'i Revised Statutes, is repealed.

SECTION 38. Chapter 89C, Hawai'i Revised Statutes, is repealed.

SECTION 39. Section 302A-634, Hawai'i Revised Statutes, is repealed.

["**§302A-634 Noncertificated personnel.** (a) All noncertificated administrative, professional, and technical personnel not engaged in instructional work shall be placed by the department in the appropriate salary ranges within the educational officers schedule.

(b) Beginning with the 1997-1998 school year, this section shall be interpreted as though the term "certificate" read "license" or "credential", as the later terms are used in subpart D, and as circumstances require."]

SECTION 40. Section 302A-635, Hawai'i Revised Statutes, is repealed.

["**§302A-635 Educational assistants.** All educational assistants employed in the department shall be employed under the provisions of chapter 76 and shall have their compensation fixed in accordance with chapter 77; provided that:

- (1) The monthly rate of compensation so determined shall be multiplied by ten and then divided by twelve and the resulting amount shall be the employee's monthly salary payable over a twelve-month period;
- (2) Weekly working hours for educational assistants shall be established in the same manner as working hours for teachers; and
- (3) Educational assistants shall have the same vacation and sick leave allowances as teachers."]

SECTION 41. Section 302A-636, Hawai'i Revised Statutes, is repealed.

["**§302A-636 Cafeteria managers.** All cafeteria managers employed in the department shall be employed under chapter 76 and shall have their salaries fixed in accordance with chapter 77, and the monthly rates of basic compensation so determined shall be payable over a twelve-month period without proration or deduction for periods when school is not in session. Cafeteria managers shall have the same vacation and sick leave allowances as school teachers and principals."]

SECTION 42. Section 302A-637, Hawai'i Revised Statutes, is repealed.

["**§302A-637 Cafeteria workers.** All cafeteria workers employed in the department shall be employed under chapter 76 and shall have their compensation fixed in accordance with chapter 77, and the monthly rates of basic compensation so

determined shall be payable for employment over a twelve-month period. All cafeteria workers shall be employed on a full-time basis, except that a limited number of part-time workers may be employed by the department. No cafeteria worker employed on a part-time basis shall work less than twenty hours per week. The department shall establish a schedule, based on factors that determine the need for part-time workers, fixing the number of part-time workers that may be employed by the department."]

SECTION 43. Section 302A-639, Hawai'i Revised Statutes, is repealed.

["§302A-639] Houseparents; statewide center for students with hearing and visual impairments. All houseparents at the statewide center for students with hearing and visual impairments employed in the department shall be employed under chapter 76 and shall have their compensation fixed in accordance with chapter 77, and the monthly rates of basic compensation so determined shall be payable for employment over a twelve-month period. All houseparents shall be employed for twelve months on a full-time basis."]

SECTION 44. Section 304-13, Hawai'i Revised Statutes, is repealed.

["§304-13 Classification schedule. The board of regents shall classify all members of the faculty of the university including research workers, extension agents, and all personnel engaged in instructional work as defined in section 76-16 and adopt a classification schedule conforming, as nearly as may be practical, to the schedules set forth in chapter 77. The department of human resources development of the State shall, upon the request of the board of regents, render such assistance as may be practicable in connection with such classification. The adjustments of compensation to conform with the classification shall be made in general accordance, so far as may be practical, with chapter 77 relating to state employees.

Annual increases of compensation shall be allowable, and shall be allowed, in general accordance, so far as may be practical, with chapter 77, providing for the allowance of annual increases to state employees for efficient service, and the board of regents shall adopt a fair and reasonable plan for rating the efficiency of individual employees affected by this section."]

PART VI.

SECTION 45. All acts by the legislature during the Regular Session of 2000, whether enacted before or after the effective date of this Act, shall be amended to conform to this Act unless such acts specifically provide that this Act is being amended.

SECTION 46. If any part of this Act is found to be in conflict with federal requirements that are a prescribed condition for the allocation of federal funds to the State or a county, the conflicting part of this Act is inoperative solely to the extent of the conflict and with respect to the agencies directly affected, and this finding does not affect the operation of the remainder of this Act in its application to the agencies concerned. The rules prescribed to implement this Act shall meet federal requirements that are a necessary condition to the receipt of federal funds by the State.

SECTION 47. If any provision of this Act, or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are severable.

SECTION 48. There is appropriated out of the general revenues of the State of Hawai'i the sum of \$600,000 for fiscal year 2000-2001, to be paid into the training revolving fund created in section 2 of this Act, -98, Hawai'i Revised Statutes. The sum appropriated shall be expended by the department of human resources development for the purposes of the fund.

SECTION 49. There is appropriated out of the general revenues of the State of Hawai'i the sum of \$128,000 for fiscal year 2000-2001, for the REACH (Resource for Employee Assistance and Counseling Help) program that provides short-term counseling for troubled State employees who need help in dealing with personal problems affecting their work performance. The sum appropriated shall be expended by the department of human resources development.

SECTION 50. There is appropriated out of the employees' retirement system's investment earnings the sum of \$, or so much thereof as may be necessary for fiscal year 2000-2001, for the employees' retirement system to process the early retirement incentive elected by state employees in the executive branch whose positions are being eliminated as authorized in section 6 of this Act. The sum appropriated shall be expended by the employees' retirement system.

SECTION 51. Statutory material to be repealed is bracketed. New statutory material is underscored.

SECTION 52. This Act shall take effect upon its approval; provided that sections 26-33 and 36-44 relating to repeals that necessitate new or amended rules, policies, procedures, collective bargaining provisions, or other adjustments shall take effect on June 30, 2001."

Representative Rath moved that the amendment be adopted, seconded by Representative Whalen.

Representative Rath then rose to speak in support of the amendment, stating:

"First and foremost, let me apologize for killing the tree, this is a very thick bill. As most people know, this is the Governor's bill. I'm entirely happy or satisfied or really crazy about this. There are a lot of improvements that can be made to this bill, the Governor's bill. However, it is far, far and way better to the stripped down, gutted out version that lays on our desks as HD 1. I called it the 10 percent bill in committee, and it's been called an embarrassment and a bunch of other things.

"True reform, that's the one thing it isn't. I think that we have to put forth a strong bill that is going into conference with the Senate. It needs to be the strongest possible bill so that everything is upon the table and those matters can be looked at, discussed and debated. We might actually wind up with something that alters the way our Government does business.

"A lot of people say that we need a smaller government and my God that is very true. Changing a lot of the classifications is one method. But we don't want to go to a large crummy government to a small crummy government. We have to have efficiency. We have to change the way we do business. The rest of the world does. The private sector does it daily.

"So I ask the members this. Pretend for a moment that you won't be back next session. This so called work in progress won't have you here and your ideas to work on it. Suppose this is like any other project. You don't want to have to go back and fix it at a later time. Suppose you just want to do it right the first time or as close to right where you could possibly get a consensus.

"Mr. Speaker, there is no doubt in my mind that there remains in this House, if the courage can be found, a majority of members who will pass this amendment. However, Mr. Speaker, that's not a partisan majority and I am sad to say it's not. We have to change government, this is the one vehicle we have to do it. This is the only time we have to do it. This opportunity will not pass our way again. If we don't fix it, we have to ask what the consequences are. Ten years of recession, bloated government or spending out of control, we have to start to reign it in.

"I know it's tough for people to stand up against the unions. I know that it's especially tough this year. Maybe we should have done this last year, but somehow, at some time, this is going to happen. Civil service reform is not something that's not going to happen, it's just a matter of when. Do we do it now? Or is it done later on, two years, three years or four years from now, it has to be done. We can't avoid it.

"So I offer this to give people a chance where they can go back to their constituents and say, if nothing else at least I gave it my best shot. We put everything on the table. We went to the Senate with the best package we could possibly put forward.

We put everything out there for discussion with nothing laid to waste before meeting with them. At least give it an honest effort. Thank you, Mr. Speaker."

Representative Takamine then rose to speak in opposition to the amendment, stating:

"Mr. Speaker, I guess the previous speaker described the House Draft before the members of this body as the stripped down version of the Governor's original bill. I would dispute that. I think we need to see the entire picture. And certainly, while this is a key piece of civil service reform, we have already taken action on civil service reform. We passed the educational accountability bill earlier this evening, H.B. 1875. We will be taking action on the health reform measure that is incorporated in H.B. 1869 and other measures before us. Yet this is the Governor's omnibus bill and I think the fact that it is, is not lost on the members of the Majority.

"Mr. Speaker, I think when we look at the HD 1, it provides for a meaningful start. It provides for addressing 16 out of the 18 points that the Governor originally started with and brought down to your Majority Caucus. But I think more importantly, Mr. Speaker, is that a comment made by the Governor's top person, Mike McCartney, the Director of DHRD, when he indicated that this is a good management vehicle.

"I think it's clear when we talk civil service reform, we all want greater efficiency and higher level or productivity. It is part of our obligation to make sure that the highest level of public services is delivered to the general public. As we pursue that objective, I think as we face any other piece of legislation that comes before us, there is a fundamental element of fairness. Fairness to management and fairness to the employees and their families.

"Mr. Speaker, I think the proposal before us, as provided by the Minority, does not take a balanced approach. And for these reasons I will be voting against it. Thank you."

Representative Pendleton then rose to speak in strong support of the amendment, stating:

"I find it hard to believe that the Governor would be intentionally wanting to introduce an imbalanced approach. He has tensions. He faces constituents just like us. He's trying to modernize the system. We've all talked to Mike McCartney about this, we've seen the brochures. I've gotten the form letters on the topic and people have talked about this. It is all in the open. There is nothing outrageous about this. We have a civil service system that is in desperate need of reform and modernization. We have the same antiquated rules applying to the current workplace when the current workplace has been dramatically transformed by the new economy. We talk about hi-tech and the differences in industry and all of the changes that have happened over the passage of years. We need a new system.

"I don't agree with the items that the Governor has put in this measure a 100 percent, but then again I don't agree with my wife a 100 percent of the time. But it is a much better bill than the current bill. We all know the affirmatives of the current bill. I think the Majority Leader has so eloquently set forth the problems with H.B. 2518, HD 1. Neither of these bills are perfect. We know which one is far better. We know that the amendment is far better than the current measure.

"I can't believe that we're going to say, well let's just take this little baby step. It does talk about some of the various things and we will worry about it on the other side of the election. It is very important for us to act now while we have the opportunity. We may not have another opportunity.

"Mr. Speaker, this particular juncture in this session reminds me very much of the time when we faced the Bishop Trustee compensation issue. This is not about that, but this is about

when it is appropriate and fitting to amend a bill on the floor. I remember a legislator saying when the system appears to be broken that is when you go out and do an extraordinary thing to amend a bill on the floor. But when do you do that? You do that when the system is broken. We saw the Governor's bill. We saw what happened to it during the committee system. Obviously the committee system was broken and it didn't work. If we want to get anywhere, hear a genuine reform, we need to go with this amendment.

"The system is antiquated. It needs modernization and the floor amendment is the best way to move in that direction. It's a non-partisan way of doing it. So for those reasons, Mr. Speaker, I strongly stand in favor of this amendment and ask that the members support it. Thank you."

Representative Case then rose to speak in opposition to the amendment, stating:

"I think by now my feelings on the merits of Governor Cayetano's bill are well known to all. I support Governor Cayetano's efforts on civil service reform and I will explain those views a little bit further when we get to the merits of the underlying bill. I think my objection to this floor amendment is exclusively a matter of timing and a matter of process.

"When I considered the possibility of a floor amendment last week in the aftermath of the committee's report out of the HD1, it was because I thought that the Governor's proposals deserved an up or down vote on the floor of this House, if it was a choice between the Governor's bill or the HD 1. To that end, I wrote to the Governor last week and said, 'How do you want to proceed on this? We've got half a session left and I'd like to know if you would prefer that up or down vote come now, or whether you would like to work through this process?' Over the weekend, I heard back from the Governor that he believed that the process should proceed. He remained willing, able and desirous of working with everyone in this Legislature, on a bipartisan basis, in order to come out with a bill that we could all at some point feel some degree of comfort with.

"So from Governor Cayetano's perspective, and certainly from the perspective of members of the House, who I have talked to since then, I think there is a commitment to work through that process. And so I'm going to place my trust in that process for now. I don't think that process has yielded the best result thus far, but I'm going to trust it. I am not saying that a floor amendment is never appropriate. In my mind a floor amendment may be appropriate, regardless if it's brought out by the majority or the minority party, in situations where you have an issue of statewide importance and for whatever reason the committee process has not yielded a result that is consistent with the mainstream of the House and where there is no alternative. I think, here, there is an alternative.

"And so with comments made by the Minority Floor Leader, in terms of the Bishop Estate compensation issue, which I had some part of, that came at the very end of the session after there was in fact no alternative left. I think there's an alternative here. And I am going to trust that alternative for now. Perhaps there will come a time when this remedy is appropriate, but now is not that time. Thank you, Speaker."

Representative Yoshinaga then rose to speak in opposition to the amendment, stating:

"I would like to point out to the members that on this bill your House Labor and Public Employment Committee started the process last session. It's a very complex process with 30 years of history in terms of providing fairness in both the civil service system and collective bargaining in formulating a plan, whereby, we would protect both management rights and the workers' rights.

"With respect to our Majority Leader's comments, I would just like to respond with the statement that, if in a complex

issue like this we didn't trust the process, we wouldn't need to have hearings and we wouldn't need Chairs. We could just introduce bills and immediately vote on them. But our process provides for debate and disclosure and this bill does not encompass much of the negotiations and discussions with the affected parties that came before your Joint Committees of Labor and Public Employment and Finance on this very complicated issue.

"I urge all the members to support this balanced approach to taking a dramatic step forward in effective civil service reform. Thank you."

Representative Marumoto then rose to speak in support of the amendment, stating:

"I really feel that it is incumbent upon us at this point and time to put forth the strongest possible bill with the strongest possible provisions. As we all know, if we go through the legislative process with the effect of strong lobbying from affected parties, you end up with a much weaker bill. So the Minority wrote to the Finance Chairman a week or two ago asking for a very strong bill. We felt the Governor's bill was the best departure point to bring up all the issues which we should all address and debate. We feel that in one particular issue, autonomy, the Administration's civil service reform offers self-determination to several groups.

"For instance, the counties, the Judiciary, the Department of Education, the Board of Education and the Hospital System and each of these jurisdictions have different problems and different issues. The employees of these different groups also have different needs. Though the House version gives these groups more representation, these entities really deserve better. They deserve more. They are grown up now and it's time to cut the umbilical cord. The Hospital System especially needs the freedom to plan and execute their future. It must make changes in order to survive. The system is weak and is obstructed by rigid and flexible procedures. Cut these lines and let them live for this is just one issue that really should be addressed and put forward at this time in the session. It's time to put our strongest foot forward and argue these issues as the session progresses. And if we offer something that is already watered down and weak the end result will be even weaker. Thank you very much."

Representative Stegmaier then rose to speak in opposition to the amendment and asked that the remarks of Representative Case be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Stegmaier continued, stating:

"I trust that this process, by the end of the legislative session, will create a much stronger bill than either draft is right now. Thank you."

Representative Halford then rose to speak in support of the amendment, stating:

"Last summer, the Governor made it clear, publicly and privately, but publicly that he wanted omnibus civil service reform. Since last summer, there has been discussions, platitudes and generalities about what this bill might contain. However, we didn't see this bill until after a week of the session opening.

"Mr. Speaker, this session is just three and a half months long. This is a massive bill. It requires a lot of deliberation and, so far in the House, there's only been one hearing. I think that the discussion that we're having tonight is perhaps close to as much open, public discussion that this bill has gotten in a formal sense. So what we are doing tonight is constructive for the process. We have just half a session left. Can we successfully digest a bill of this size or even digest the HD 1 in the next half of the session? Is it possible for this body to come

out with omnibus civil service reform on what is now short notice?"

Representative McDermott then rose to speak in support of the amendment, stating:

"Mr. Speaker, let the record show that the Minority will be supporting Governor Cayetano's call for civil service reform. He came here a couple of months ago and asked us to have courage. He asked us to help him out. We're on board, where is the Majority, Mr. Speaker?"

"Mr. Speaker, I anticipate that we will be back here, and if anybody thinks that we are going to get meaningful reform out of Senators Mizuguchi, Nakata and Kanno then they are definitely smoking some of that medical marijuana. Thank you."

Representative Souki then rose to speak in opposition to the amendment, stating:

"Members of the House, on both sides of the aisle, with my experience in the Legislature, I have had many difficult bills like this such as the Convention Center, workers' comp, auto insurance to name a few, with members sitting in the Legislature with different philosophies, different feelings, a collage of individuals with their own minds having different visions for all of those measures. This is no different.

"Yes, our Governor did submit his omnibus bill. But the Governor does not make laws. He recommends. We make the law. We review his recommendations and it is our responsibility to accept, retract or amend and that is exactly the process that we are going through. The responsibility for legislation is not on the fifth floor, as much as I admire the man, the responsibility of legislation is here. So we should not be pointing the finger to us that because a recommendation is made to us that we will not follow the direction. It is not our responsibility.

"Our responsibility as fifty-one individuals is to look at this individually and individually make up our mind. And within this body, here, we have different people with different philosophies. Some want it and some do not. Some think that there might be other priorities that we should be looking at than civil service reform. We still have the economy to contend with. We still have the size of government, the \$2 billion shortfall that's coming down. There are other considerations also.

"All I ask, the members, is some patience as we go through the process. We are all different individuals. We need to respect each other and let's respect the process. Thank you, Mr. Speaker."

Representative Takumi then rose to speak in opposition to the measure and asked that the remarks of Representative Souki be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

At this time, Representative Whalen requested a roll call vote.

The request for a roll call was put to vote by the Chair and the request was granted.

Roll call having been requested, the motion to adopt the amendment was put to vote by the Chair and failed to carry on the following show of Noes, Ayes, and Excused:

Noes, 36: Representatives Abinsay, Ahu Isa, Cachola, Case, Catalani, Espero, Garcia, Goodenow, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho'ohalahala, Kanoho, Kawakami, Lee, Luke, Menor, Morihara, Morita, Nakasone, Oshiro, Saiki, Santiago, Schatz, Souki, Stegmaier, Suzuki, Takai, Takamine, Takumi, Yamane, Yonamine, Yoshinaga and Say.

Ayes, 11: Representatives Auwae, Halford, Leong, Marumoto, McDermott, Meyer, Moses, Pendleton, Rath, Thielen and Whalen.

Excused, 4: Representatives Arakaki, Chang, Fox and Okamura.

(MAIN MOTION)

Representative Case then rose to speak in support of the measure with reservations, stating:

"As we look at the challenges we have faced, especially over the last five years, we have in fact implemented significant tax reform, regulatory reform and, tonight, education reform. But the last, great, most challenging frontier is clearly comprehensive reform of our government personnel system.

"Every country and every state that has really committed itself to change, and has really seen the face of this New Economy and adjusted to it, has crossed this bridge. We have not yet crossed that bridge. I support this bill because, as the Speaker Emeritus says, as a member of this Legislature it is my judgment that the direction taken by the Governor is the correct direction. Perhaps not all of the details, but certainly the direction. I endorse that effort and I endorse this bill moving forward because it provides a vehicle for that change.

"But the underlying assumption of this particular draft is that the system that we have is fundamentally sound and we simply need to tinker around the edges and I reject that. However, as I've said primarily, now is not the time to fix it by float amendment. I trust the process, and I trust our collective desire in this Legislature to accomplish these changes. I believe that this issue is a litmus test for change in this State.

"But I do say that for this to happen, we will need a greater degree of public input than we have thus far seen from the broad majority of citizens who are out there, I believe that all citizens of this State, from whatever party they may be, recognize the need for these reforms. We cannot sit inside these four walls, as Governor Cayetano mentioned the other day, and simply hear from those few who have adamant objections to any change in the system.

"I would like to incorporate further remarks in reference to this bill, and otherwise pledge to work with all members of this Legislature towards meaningful change in this area. Thank you, Mr. Speaker," and the Chair "so ordered."

Representative Case's additional remarks are as follows:

"Please find following three analyses of HB 2518 HD1. The first, 'Summary of Principal Points,' summarizes Title 7 and the principal points in HB 2518 as introduced by the Governor. The second, 'Principal Administration Reforms (with Senate and House Draft Actions)', compares the principal reforms proposed by the Governor with House and Senate action in their respective drafts. The third, 'Eighteen Areas of Attention,' analyzes House and Senate action on the eighteen points of attention identified by the Governor and DHRD Director McCartney in presentations on HB 2518 as introduced.

HB 2518 (Public Employment)
Summary of Principal Points

I. Overview

A. State Constitution

1. Article XVI, section 1: 'The employment of persons in the civil service, as defined by law, of or under the State, shall be governed by the merit principle.'

2. Article XIII, section 2: 'Persons in public employment shall have the right to organize for the purpose of collective bargaining as provided by law.'
 - a. 1968 Attorney General opinion: scope of right of collective bargaining is for legislature to decide
 - b. 2000 Judge Crandall (subject to appeal): scope cannot be so narrow, e.g., no wage negotiations, as to render constitutional right meaningless.

B. State Statutes (Hawai'i Revised Statutes Title 7)

1. 16 chapters implement constitutional civil service and collective bargaining provisions and otherwise set forth public officer and employee laws.
2. Principal chapters:
 - a. chs. 76 and 77: civil service
 - b. chs. 79 and 80: leaves of absence and hours of work
 - c. ch. 87: public employee health benefits
 - d. chs. 88 and 88E: public employee pension and retirement benefits
 - e. ch. 89: collective bargaining
 - f. ch. 89C: excluded employees (not subject to collective bargaining)

C. HB 2518

1. recited purposes:
 - a. reform public employment laws enacted to implement civil service and collective bargaining constitutional mandates (p.1)
 - b. repeal obsolete statutes where decision-making not within legislative purview, except for funding of cost items by legislative appropriation (p.1)
 - c. modernize rigid and inflexible civil service bureaucracy (p.2)
 - d. permit each jurisdiction flexibility and autonomy (p.2)
 - e. change personnel systems expeditiously without legislative action and without lengthy rulemaking procedures under Chapter 91 (p. 3)
 - f. streamline process for resolving controversies (p. 4)
 - g. resolve merit principle controversies through merit appeal board rather than arbitration (p. 6)
 - h. submit cost items for legislative approval at same time as operating budget (p. 6)
 - i. public policies on drug-free workplace, wage and salary overpayment recovery, payment for work not performed, not subject to collective bargaining (p. 7)
 - j. voluntary severance/early retirement incentives in lieu of layoff rights (p. 7)
 - k. foster alternatives for cost efficient services such as managed competition and former employee ESOPs (p. 8)
 - l. change vacation and sick leave benefits prospectively (new hires) (pp. 8-9)
2. six general parts to bill:
 - a. Part I (pp. 9-150)
 - (1) guts of bill: proposed Public Employment Reform Act
 - (2) repeals chs. 76, 77, 78, 79, 80, 81, 82, 83, 89, 89A and 89C and replaces with new chapter (see below)
 - (3) not substantially affected/left to other bills: chs. 87 (health benefits) and 88/88E (retirement benefits)
 - b. Part II (pp. 150-160): voluntary severance/early retirement incentives
 - c. Part III (pp. 160-169): new sections to HRS
 - (1) recovery of salary/wage overpayments (re-enact sec. 78-12 to Chapter 40)

- (2) salary payment dates (re-enact sec. 78-13 to Chapter 40)
- (3) separate personnel system for DOE and public libraries
- d. Part IV (pp. 169 176): miscellaneous conforming amendments
 - (1) payment of retirees monthly rather than semimonthly (pp. 171 172)
 - (2) semi-autonomy in personnel system administration to UH/BoR and BoE (pp. 174 176)
- e. Part V (pp. 176 181): repeal of HRS sections
- f. Part VI (pp. 181 184): related appropriations and effective date
 - (1) \$600,000 to DHRD for employee training; \$128,000 to DHRD for employee counseling; \$(unspecified) to ERS for early retirement incentive
 - (2) effective date: essentially, for most of Title 7 repeal & reenactment, 6/30/01

- disagreements can be grieved internally but, if not resolved, can only be appealed to new 'merit appeal board', not to arbitration per collective bargaining agreement (p. 43)
- 7. employer can take 'disciplinary actions' including suspension, dismissal or demotion; disagreement can be grieved internally but, if not resolved, per arbitration if employee is covered by collective bargaining agreement, and otherwise by merit appeal board (p. 44)
- 8. employee layoff rights preserved in event of RIF per rules or collective bargaining agreement as applicable (p. 46)
- 9. merit appeal board established for each personnel jurisdiction; pro bono service; final and binding decision on matters within jurisdiction; state board to include one labor and one management representative and one person with 'knowledge of public employment laws' (pp. 49-59)

II Summary: Part I (Public Employment Reform Act)

A. Part I: General Provisions (pp. 13 25)

- 1. personnel directors (state, judiciary, C&C/Honolulu, Hawai'i/Maui/Kauai, HHSC) can conduct 'experimental modernization projects'; state/local personnel rules can be suspended (pp. 15 16)
- 2. personnel director can delegate performance of services to departments or enter into an agreement for public or private services (pp. 17-18)
- 3. complaint, grievance and appeal procedures clarified and coordinated as follows:
 - a. each personnel jurisdiction (state, judiciary, C&C/Honolulu, Hawai'i/Kauai/Maui, HHSC) has 'exclusive internal review' of complaint or grievance up to chief executive level (p. 19)
 - b. after internal, per collective bargaining agreement for covered employees, and per departmental complaint for excludeds (p. 20)
- 4. law takes precedence over all preexisting conflicting statutes re wages, hours, benefits and terms and conditions of employment (p. 22)
- 5. law takes precedence over all inconsistent provisions in existing collective bargaining agreements, except that transition period to 6/30/01 to change affected provisions in existing agreements is provided (p. 23)

B. Part II: Civil Service (pp. 25 59)

- 1. purpose: each personnel jurisdiction to establish a separately administered civil service system based on merit principle (p. 25)
- 2. personnel directors responsible for following:
 - a. developing and maintaining a classification plan (p. 29)
 - b. ensuring that collective bargaining agreements do not violate merit principle or principle of equal pay 'within the jurisdiction' and do not interfere with employers rights and obligations (p. 29);
 - c. advising chief executive on excluded employees (p. 30)
- 3. personnel directors can provide implementing rules without regard to chapter 91 (administrative procedures act) (p. 30)
- 4. personnel directors to establish rules for converting exempt positions into civil service; incumbents can be retained if they meet the minimum qualifications (p. 34)
- 5. personnel directors to establish 'performance appraisal systems' for civil service employees (p. 42)
- 6. employer can take 'non-disciplinary' actions against employees for 'failing to meet qualification and performance requirements of employee's position or other...reasons that will promote efficiency...';

C. Part III: Collective Bargaining (pp. 59-113)

- 1. most of ch. 89 is recodified
- 2. sub-units established within multi-jurisdictional bargaining units for state, HHSC and county employees (pp. 79-80)
- 3. if no agreement reached in good faith negotiations, employer can implement change on which negotiated or consulted (pending appeal) (p. 82)
- 4. current cost item bargaining freeze for FY '99-01 biennium restated (subject to appeal from Crandall decision) (p. 83)
- 5. negotiation exclusions include classification, retirement benefits under ch. 88, post-employment employer contributions; maximum vacation/sick leave allowances for employees hired after 6/30/00; and 'any other matter that the legislature may specifically exclude'. No agreements on 'proposals inconsistent with merit principle,' 'principle and equal pay for equal work within a jurisdiction,' or which would 'interfere with the rights and obligations of a public employer.' (pp. 83-84)
- 6. cost items subject to legislative approval must be submitted with the operating budget; if legislative body doesn't approve, or takes no action, the proposal is deemed rejected; legislative body shall give the reasons for its action or inaction; effectively no retroactive approval (pp. 87-91)
- 7. for all units except police and firefighters, impasse procedures with timetable are mandatory mediation, mandatory fact-finding, voluntary arbitration, mandatory cooling-off, strike option, and submission of positions on cost items to legislative bodies prior to next approval deadline (pp. 92-95)
- 8. for police and firefighters, impasse procedures with timetable are mandatory mediation, voluntary arbitration, and mandatory final offer arbitration; factors to be taken into account and explained by arbitrators are modified to exclude, e.g., projected revenues over latest Council on Revenues estimates, jurisdictions ability to raise taxes, or obtain restricted federal funds (pp. 95-102)
- 9. Office of Collective Bargaining to be responsible also for managed competition (p. 110)

D. Part IV: Excluded Employees (pp. 113-121)

- 1. personnel jurisdictions can establish rules/conditions governing excludeds subject to civil service principles

E. Part V: Public Service (pp. 121-143)

- 1. prohibition against payment of public employees for 'work not performed' or 'overtime pay, compensatory time credit or any other penalty unless

it is directly related to actual work that is performed.' (p. 122)

2. vacation/sick leave for employees hired after 6/30/00 capped and non-negotiable (pp. 123-124)
3. incentive and service awards authorized; decisions final and non-negotiable (pp. 133-134)

F. Part VI: Drug Free Workplace (pp. 143-150)

1. for 'safety sensitive positions', mandatory random drug testing authorized (p. 147)
2. for any public employee using drugs twice, termination and ineligibility for public employment for not less than five years (p. 148)
3. for prospective employees, pre-employment drug test authorized (p. 149)

G. Summary of Principal Changes to HRS Title 7 under Part 1 of HB 2518 (Public Employment Reform Act)

1. uniform statewide government employee administration is decentralized into five employer jurisdictions (state executive, state judiciary, C&C/Honolulu, Hawai'i/Kauai, Maui & HHSC) and two quasi-employer jurisdictions (Board of Education, UH Board of Regents)
2. employer jurisdictions get more flexibility to set up and administer overall civil service system
3. employers can take 'non-disciplinary' actions subject to internal review and final decision by merit appeals board (rather than arbitration per collective bargaining)
4. collective bargaining agreements cannot supersede civil service law
5. scope of collective bargaining includes health benefits, makes repricing discretionary, but excludes e.g., vacation and sick leave allowances for new hires, drug testing policies, pay for more than actual work, wage and salary overpayment recoveries, other
6. timetable for submission of cost items for legislative approval is advanced and legislative inaction is clarified as rejection
7. binding arbitration is replaced with right to strike for employees other than police and firefighters; impasse timetable instituted
8. police and firefighters retain binding arbitration but under revised standards; impasse timetable instituted
9. excluded employees are delinked from collective bargaining and governed under civil service rules

Civil Service Reform (HB 2518)

Principal Administration Reforms (with Senate and House Draft Actions)

1. Jurisdictional autonomy

HB 2518: splits public employee administration into five separate jurisdictions (state, judiciary, C & C/Honolulu, Counties of Kauai, Maui and Hawai'i, and HHSC) and two quasi-separate jurisdictions (BoE and UH/BOR).

SD1: splits into nine jurisdictions (state, four counties, judiciary, HHSC, DoE and UH/BOR).

HD1: maintains uniform statewide system while adding representation/vote for some jurisdictions for some bargaining units and authorizing some individual jurisdiction flexibility.

2. Arbitration/right to strike

HB 2518: returns to right to strike for all units except police and firefighters and revises arbitration standards to require consideration of true state financial picture for the latter two.

SD1: maintains arbitration but strengthens arbitration standard.

HD1: returns to right to strike for units other than police and firefighters but doesn't strengthen standards for latter arbitration.

3. Scope of collective bargaining

HB 2518: specifies certain statutorily-required work conditions now bargained collectively or allegedly subject to collective bargaining (vacation/sick leave caps; no pay for no work; salary overpayment recovery; drug testing).

SD1: scope of collective bargaining expanded to include basically all aspects of employment except classification, recruitment, examination, initial pricing.

HD1: no change except for salary overpayment and pre-employment drug testing.

4. Dispute resolution for non-disciplinary (performance) actions

HB 2518: expedites dispute resolution outside grievance process (through merit appeals board) for non-disciplinary, performance-related actions (dual track).

SD1: no change

HD1: no change

5. Impasse timetable/procedures

HB 2518: adopts specific steps and time deadlines for unit-wide negotiations on bargainable issues to prevent indeterminate disputes.

SD1: adopts

HD1: no change

6. Submission of cost items for legislative approval; effect of no action

HB 2518: requires submission of cost items for legislative approval at beginning of session; no retroactive approval if late; provides that legislative inaction is rejection.

SD1: adopts

HD1: adopts submission deadline

7. Performance appraisal system

HB 2518: mandates implementation of performance appraisal system.

SD1: no change

HD1: modified performance-based system

8. Precedence of statutes or collective bargaining

HB 2518: confirms that collective bargaining doesn't supersede civil service/other statutes.

SD1: no change

HD1: uncertain whether any meaningful change

9. Excluded employees

HB 2518: delinks excluded employees from collective bargaining and administers exclusively through civil service.

SD1: adopts

HD1: no meaningful change

10. Streamlined personnel rulemaking

HB 2518: exempts personnel rulemaking from ch. 91

SD1: no change

HD1: no change

11. Employer change of conditions

HB 2518: allows employer to implement proposed change after good faith negotiations/consultation

SD1: adopts

HD1: no change

HB 2518
Eighteen Areas of Attention

1. Redefine merit system to include performance and not rely on seniority.

Admin bill (HB 2518) as introduced:

- * Defines merit principle and implements
- * Mandates establishment of performance appraisal system based on merit
- * Establishes merit appeals board and expedites dispute resolution by board for performance-based (non-disciplinary) personnel decisions
- * Exempts personnel rulemaking from ch. 91 while mandating consultation with unions
- * Authorizes experimental modernization projects and incentive and service awards based on performance

HD1:

- * Personnel actions may be taken against employees forewarned of substandard performance and afforded adequate opportunity for retraining, subject to existing grievance procedures
- * Employers to certify performance ratings and subject to adverse personnel actions for false certification

2. Decentralize system and allow counties greater autonomy over their personnel systems. Counties should negotiate own collective bargaining contracts.

Admin:

- * Repeals uniformity
- * Sets up five employer jurisdictions (State, judiciary, C&C, neighbor island counties, HHSC)

HD1:

- * Retains uniformity
- * Adds votes for some jurisdictions
- * Allows employers to negotiate separate memoranda of agreement to address unique needs

3. Greater autonomy to BOE and BOR to control personnel policies for all employees

Admin:

- * BOE can appoint all personnel
- * BOR can appoint all personnel and set conditions of employment

HD1:

- * No comparable provisions

4. Eliminate mandatory arbitration and return right to strike to union (except police and fire).

Admin:

- * Return to right-to-strike for all but police/firefighters
- * Revise arbitration standards to reflect state fiscal realities

HD1:

- * Returns to right-to-strike except for police/firefighters
- * No revision to arbitration standards

5. Provide performance based pay for senior management (branch chiefs and above).

Admin:

- * Delink excluded employees from collective bargaining

HD1:

- * Compliance with performance-based standards a condition to wage adjustments

6. Eliminate overtime pay in the calculation of retirement benefits

Admin:

- * Exempt overtime from calculation of average final compensation for retirement benefits purposes

HD1:

- * Prohibits assigning excessive overtime for purposes of calculating average final compensation

7. Streamline salary overpayment provisions.

Admin:

- * Requires establishment of salary overpayment recovery procedures
- * Authorizes deduction of overpaid amounts in accordance with overpayment schedule; provides a credit of interest on monies paid in excess of overpayment

HD1:

- * Allows overpayment recovery due to mistake of law or fact within past year
- * Subjects disputes to grievance procedure
- * Committee report notes intent that burden of proof in grievance be on employee, but bill doesn't provide language

8. Provide new drug testing policy for hires and implement two strikes and out policy.

Admin:

- * Requires pre-employment drug testing
- * Authorizes random drug testing for employees in safety-sensitive positions
- * Establishes two-strikes-and-out policy for existing employees

HD1:

- * Pre-employment drug testing only for safety-sensitive positions only

9. Provide work force restructuring program to allow for voluntary separation.

Admin:

- * Voluntary separation incentives authorized

- HD1:
* Voluntary separation incentives authorized
110. Contain costs in Health Benefits Plans by allowing fixed employer contribution. Eliminate health fund and create union trust.

(addressed in separate bills)
211. Eliminate dependent coverage for new hires; change State contribution for employees who retire after July 1, 2001 to match years of service; and delete survivors dependent benefits for those who retire after July 1, 2001.

(addressed in separate bills)
312. Eliminate over-lap and duplication between civil service and collective bargaining.

Admin:
* Provides that statutes take precedence over collective bargaining agreements
* Authorizes employer to determine office hours
* Authorizes 40-hour work week
* Mandates pay only for work performed
* Caps vacation and sick leave credits for new employees
* Excludes or limits negotiation on certain matters, including classification and retirement benefits
* Reconfirms legislative authority to specify scope of collective bargaining
- HD1:
* Amends civil service law to state that Civil Service Commission does not have jurisdiction over disputes involving wage, hours and working conditions
413. Allow for public-private Employees Stock Ownership Corporations in accordance with Act 230 Managed Competition.

Admin:
* Proposes Employees Stock Ownership Corporation to implement managed competition
- HD1:
* Authorizes managed competition through unspecified managed process which must insure that civil service laws, merit principals, and collective bargaining laws are not violated
514. Create new State classification and compensation system.

Admin:
* Enables separate and independent classification systems by each employing jurisdiction
- HD1:
* Authorizes directors to establish classification systems so long as the principal of equal pay for equal work is maintained on a statewide basis
615. Streamline recruitment process.

Admin:
* Establishes greater flexibility in recruitment practices
- HD1:
* Further latitude provided so long as equal pay for equal work on a statewide basis is maintained.
716. Create new administrative appeals process to consolidate HLRB, State Civil Service Commission, Public Employees Compensation Appeals Board. The County Civil Service Commission remains.
- Admin:
* Consolidates administrative appeals process
- HD1:
* No consolidation
817. SWAT (addressed in separate bills)
918. Modify negotiation process timetable to require impasse date be coordinated with the budget process (legislative timetable).

Admin:
* Provides specific process steps and timetable for dispute resolution (mediation, fact finding, arbitration)
* Allows employer to proceed with change subject to grievance after good-faith negotiation
* Provides deadline for submission of cost items for legislative approval and disallows retroactive payment for cost items submitted after deadline
* Confirms that legislative inaction on cost items submitted equals rejection
- HD1:
* Implements legislative timetable and non-retroactive provision"
- Representative Rath then rose to speak in support of the measure with reservations, stating:
- "I would like to ask my fellow Minority Members, if they are so inclined, to express their reservations. I really don't believe this HD 1 comes even close, but it's better than nothing. Thank you."
- Representative Moses then rose in support of the measure with reservations and asked that the remarks of Representative Case be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)
- Representative Thielen then rose to speak in support of the measure with reservations, stating:
- "I hope we can trust the process to come out with meaningful reform. Thank you."
- Representative Pendleton then rose to speak in support of the measure with reservations, stating:
- "I would like to note my reservations. It's not because I'm afraid of the direction of this bill. I think this bill is going no where near as far as it should be. I would have preferred the original bill, and I would have also have preferred our suggested amendment to this particularly problematic measure. I guess we will just have to trust the system.
- "I hope we don't get another speech about the timing being too late and some other process and timing argument as to why we cannot act on this. I really think now is the opportunity. We should have adopted the amendment or moved the Governor's version forward for discussion with the Senate. But I will note my reservations because this bill does not go anywhere near as far as it should. Thank you very much, Mr. Speaker."
- Representative Meyer then rose in support of the measure with reservations and asked that her comments be inserted into the Journal and the Chair "so ordered."
- Representative Meyer's remarks are as follows:
- "In this new information and technology age, businesses and governments must have the ability to move quickly and effectively in order to survive and prosper. One aspect of a vital and healthy economy is an efficient and effective civil

service system that is responsive to the needs of the people. That is why reducing the cost of government and making government more efficient is so important. If we're serious about reforming government, we need a strong bill that provides meaningful reform measures. House Bill 2518, the Administration's bill was very comprehensive but may have been too much too soon. The issue is complicated, but the need for change is very real. The present system gives the employer very little flexibility and does not foster excellence through performance. The present drug policies are a joke, and the liberal vacations and sick leave benefits are too costly. We need to send a more comprehensive bill over to the Senate.

"H.B. 2518, HD 1 is watered down version that makes very few meaningful changes to the present system."

Representative Leong then rose and asked the Clerk to register an aye vote with reservations for her, and the Chair "so ordered."

Representative Auwae then rose and asked the Clerk to register an aye vote with reservations for her, and asked that the remarks of Representative Rath be entered into the Journal as her own, the Chair "so ordered." (By reference only.)

Representative Marumoto then rose and asked the Clerk to register an aye vote with reservations for her, and the Chair "so ordered."

Representative Halford then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

Representative Yonamine then rose to speak in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Yonamine continued, stating:

"I don't see this as being a matter of now or never, Mr. Speaker. When we discussed the seven chapters of the collective bargaining laws last year and reviewed these now for the last five to six years as part of the Labor and Employment Committee, and other committees, and on the Floor, this is a very complicated and complex set of chapters that include collective bargaining 89.

"And the fact was that we had wrestled with it and struggled with it over the year and I think we really sincerely made an effort to try to reform the civil service system. The issue to me is kind of simple, but the details are the problem. I think we're just trying to give management the right and authority to administer, supervise and run their department and offices in a most efficient and productive manner. I think that's important.

"And our bill, thanks to Chair Takamine and Chair Yoshinaga have done just that to provide civil service reforms to give our managers the right and authority to run their departments. The other thing is, in the collective bargaining laws, it is also very important to maintain the integrity of the collective bargaining law because this is what the management, employees and the unions with respect to right, authority and status use in terms of meeting with each other in an honest, fair and organized way in resolving fiscal and non-fiscal issues over the years.

"We need not look at it in terms of now or never. We need to look at both civil service reforms and collective bargaining laws as a good beginning. In my estimation, anytime we look at a system like this it takes more than just one year. I believe it will take two or three years in order to fix the system as complicated as the Chapter 7 we are talking about.

"And so, Mr. Speaker, I just wanted to commend the beginning, it's a good beginning. We know this isn't the end and believe you me we're committed to making changes as they

are appropriate and I commend our Committees and our House for passing a bill like this. Thank you."

Representative Yonamine's additional remarks are as follows:

"Mr. Speaker, I rise in support of HB 2518; but I must add a note of caution without trying to be a naysayer on this bill which sets about to reform our antiquated public employment laws. In fact, 50 years have passed since this body of laws was last reviewed and revised.

"During that long interval, the Territory of Hawai'i has become the Fiftieth State in the Union, our government has expanded both in size and complexity, and our civil service force has likewise grown large, too large in some minds.

"The Governor, through the excellent effort of Mr. Mike McCartney, Director of DHRD, crafted a comprehensive civil service reform bill. Our joint committees on Labor and Finance under Chair Takamine made yet another attempt by developing HD1, a significant first step in this civil service management.

"For several sessions, I was the Chairman of the Labor and Public Employment Committee. I draw now upon that experience to issue my words of caution. These bills represent a beginning - let me repeat - a beginning in an evolving process of significantly changing and modifying our civil service laws. We have started, but it will take us in the House working diligently together with our colleagues in the Senate at least two more sessions to arrive at a comprehensive, meaningful reform bill."

The motion was put to vote by the Chair and carried, and H.B. No. 2518, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," passed Third Reading by a vote of 47 ayes, with Representatives Arakaki, Chang, Fox and Okamura being excused.

H.B. No. 1869, HD 1:

Representative Case moved that H.B. No. 1869, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Yonamine rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Yonamine's remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 1869 HD1. The Hawai'i Employer-Union Health Benefits Trust Fund established by this measure will provide all public employees and their dependents with a single health benefit delivery system. The Trust Fund would supplant the Public Employees Health Fund with the repeal of chapter 87 HRS. The Fund will operate under the direct control of a ten-trustee board appointed by the Governor. The Board would have equal employer and employee representation and the flexibility to determine the full range of health benefits including long-term care and group life insurance.

"I should point out that this bill is the Administration's bill, HB 2461, and provides a single benefit delivery system as recommended by the Legislative Auditor."

The motion was put to vote by the Chair and carried, and H.B. No. 1869, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," passed Third Reading by a vote of 46 ayes to 1 no, with Representative Ahu Isa voting no and Representatives Arakaki, Chang, Fox and Okamura being excused.

H.B. No. 2449, HD 1:

Representative Case moved that H.B. No. 2449, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Yonamine rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Yonamine's remarks are as follows:

"Mr. Speaker, I rise in support of HB 2449 HD1, a bill prompted by the need to rein-in the significant and ever-rising costs of health fund benefits for public employers.

"The Legislative Auditor determined that employer contributions rose by over \$27 million in a one year period (FY 95-96) to (FY 97-98) to a total of \$262 million. The cost to provide health benefits for active and retired employees and post-retirement health benefit liability increased dramatically over the past decade.

"As of July 1998, the State and counties' accrued liability for future retiree benefits is an estimated \$4.5 billion. In thirteen short years from now, the estimated liability for post-retirement health benefits will almost triple to \$11.4 billion.

"The four cost containment proposals - PPO plan, Medicare+Choice, open formulary drug plans, and comparable benefits for retirees with and without Medicare - are estimated to save the state over \$80 million in the next four fiscal years. We must be prudent and give serious consideration now to staving off the certain bankruptcy of the future caused by runaway health benefits."

The motion was put to vote by the Chair and carried, and H.B. No. 2449, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC EMPLOYEES HEALTH FUND," passed Third Reading by a vote of 45 ayes to 2 noes, with Representatives Ahu Isa and Ito voting no and Representatives Arakaki, Chang, Fox and Okamura being excused.

The Chair directed the Clerk to note that H.B. Nos. 2413, 1871, 2445, 2446, 2518, 1869 and 2449 had passed Third Reading at 8:52 o'clock p.m.

H.B. No. 2447:

Representative Case moved that H.B. No. 2447, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose in opposition to the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Thielen's remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2447.

"HB 2447 is an attempt by the Legislature to circumvent current judicial proceedings to determine if the counties received their full credit of the excess investment earnings.

"This bill seeks to amend Act 100 and Act 212. Act 100 was passed last year and is the infamous "raid" on the ERS that cost the system 200 million dollars by balancing the budget on the backs of retirees and beneficiaries. I voted against that bill and I'm voting no on this bill as well.

"This bill, HB 2447, bifurcates the payment of excess investment earnings heavily in favor of the State, and to the detriment of the counties. Furthermore, by making this change retroactive, this bill seeks to influence judicial proceedings initiated by the counties.

"In essence, this bill reflects no confidence that the State will prevail in court. In fact, HB 2447 represents a de facto

admission that the State is wrong. When the legislature passed Act 100 last year, an attempt was made to balance the budget on the backs of retirees--with HB 2447, this body is attempting to balance the budget on the backs of the counties through judicial interference.

"The common denominator in all of these attempts is that the 'piggy bank' used is the ERS, which is still being viewed by as a legislative "slush fund" when it needs money. When is this nonsense going to stop? I fear it never may.

"I am voting no on HB 2447. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 2447, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 35 ayes to 11 noes, with Representatives Ahu Isa, Auwae, Halford, Leong, Meyer, Marumoto, Moses, Pendleton, Rath, Thielen and Whalen voting no and Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

H.B. No. 2448:

Representative Case moved that H.B. No. 2448, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose in opposition to the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Thielen's remarks are as follows:

"This is the second of what I am calling the 'evil triad' ERS bills. HB 2448 punishes the counties by requiring increased percentage payments on their contributions, allowing the State to withhold what it deems to be delinquent county contributions from the county's TAT or hotel room tax, and imposing an 8 percent interest penalty on unpaid obligations.

"I already spoke on HB 2447. When we couple this bill, HB 2448, with that bill, we are essentially telling the counties that we are going to give you less excess earnings, and thus, you must pay more in contributions. And secondly, if you don't pay what we want you to pay, we're going to hammer you with heavy sanctions to force you to comply.

"Wow! So much for State/county cooperation and partnership. With friends like us, who needs enemies?"

"Again, this bill allows that State to collect disputed employer contributions on a retroactive basis prior to being resolved by a judicial proceeding. The question has to be -- what is the State afraid of that it needs this bill?"

"I am voting no on HB 2448. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 2448, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 36 ayes to 10 noes, with Representatives Auwae, Halford, Leong, Marumoto, Meyer, Moses, Pendleton, Rath, Thielen and Whalen voting no and Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

H.B. No. 2458:

Representative Case moved that H.B. No. 2458, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose in opposition to the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Thielen's remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 2458.

"With this third bill, we have completed the set of evil ERS bills. HB 2458 is yet another attack on the asset base and fiscal integrity of the ERS.

"In order to understand this bill, a brief history is in order. The 1995 Early Retirement Incentive program was enacted by the Legislature on the assumption that it would save the State millions of dollars. Part of the law required that the actuarial cost of advancing such financing would be reaped over 5 years. This bill, HB 2458, seeks to allow the State and counties to extend their obligation period to 19 years.

"This bill will obviously increase the risk to the ERS and the retirees and beneficiaries that depend on it. But there are two other devious aspects to this bill that need to be brought to light. First, this bill will decrease employer contributions only for the first two years of this 19 year period. The savings will amount to \$22 million in FY 2002 and most \$10 million in FY 2003. But in fiscal years 2004 to 2018, this bill would require ADDITIONAL contributions of just under \$60 million. The net result of HB 2458 is an overall increase in employer costs of over \$27 million. This is \$27 million in taxpayer dollars - \$27 million in taxpayer dollars that will not be available for health, education, or human service programs.

"Second, because this bill is retroactive, it deviously links with HB 2447 to circumvent current judicial proceedings to determine if the counties received their full credit of the excess investment earnings. Because the State believes that it will not prevail in court, it seeks to change the law and influence the court's decision legislatively after the lawsuit has been filed. This is wrong.

"I am voting no on HB 2458. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 2458, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 36 ayes to 10 noes, with Representatives Auwae, Halford, Leong, Marumoto, Meyer, Moses, Pendleton, Rath, Thielen and Whalen voting no and Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

H.B. No. 1830, HD 1:

Representative Case moved that H.B. No. 1830, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Lee rose in support of the measure and asked that her comments be inserted into the Journal and the Chair "so ordered."

Representative Lee's remarks are as follows:

"HB 1830, authorizing an earned income tax credit, has, nation-wide, been an effective anti-poverty device.

"First enacted on the federal level in 1975, the EITC has been expanded several times, and has enjoyed broad, bi-partisan support. By signing this measure, Hawai'i would join 11 other states that currently offer some kind of EITC, using federal eligibility criteria.

"TANF regulations note that state EITCs meet the purposes of the welfare law and therefore TANF or MOE (maintenance of effort) funds can be used to support the state EITCs that provide for a refundable credit (note: TANF regulations state that for non-refundable credits, TANF or MOE funds cannot be used by the state).

"The EITC is a good way to off-set regressive taxation. The working poor are the demographic most adversely affected by

excise taxes, and the EITC is a good way to compensate for that effect. Additionally, in this era when the middle and upper-classes are clamoring for tax reductions, the EITC is the only way in which the working poor can enjoy any of those tax reductions.

"The State need not worry about the costs of such a plan. Most states that have enacted EITC have been able to do so with modest costs. Vermont, for example, a state with a population similar to ours, spent only \$12 million on its EITC, and that cost is especially insignificant compared with the benefits it will bring to the state. Simply enacting the EITC will allow a significant number of welfare recipients to join the workforce, thereby contributing to the state's economic recovery. One Harvard study indicated that the EITC would encourage 20 percent more welfare recipients to join the workforce than without the EITC.

"This is an excellent way to ensure Hawai'i's compliance with welfare reform. If we can get 20 percent more welfare recipients into the workforce merely by enacting the EITC, our task is that much simpler.

"The EITC is more than a fiscal measure. This is a measure that supports children. In September 1999 the Census Bureau reported that 1 in 5 children lives in poverty. Most poor children live in families with a working parent. Even a full time job at low pay can fail to bring a family above the poverty line. The EITC can lift these working poor families above or at least close to the poverty line.

"Ronald Reagan called the EITC, 'the best anti-poverty, the best pro-family, the best job creation measure to come out of Congress.'

Representative Pendleton then rose in support of the measure and asked that his comments be inserted into the Journal and the Chair "so ordered."

Representative Pendleton's remarks are as follows:

"Mr. Speaker, I rise in strong support of Standing Committee Report Number 680, which concerns House Bill Number 1830, HD 1, regarding the establishment of a refundable earned income tax credit.

"Mr. Speaker, I support this bill because it is truly the first step toward helping Hawai'i's poor. Thousands of Hawai'i residents are working full time, but are not making enough money to survive. Worse yet are parents who are unable to provide for their children. The result is a cycle that continues to produce adults in the likeness of their needy parents. With the passing of this bill, these people would finally get help.

"Mr. Speaker, there have been many plans suggested to help needy people and families. Minimum wage increases have been proposed, but though their goals are noble, they are lacking in results. Good intentions are not enough. Leaving these people to survive from welfare payments is also unacceptable because many people on welfare are finally working again, but their pay, even with welfare, is not enough to support their families. With a refundable earned income tax credit, not only are we promoting the importance of self-sufficiency and the dignity of work. We are truly helping the needy.

"Mr. Speaker, in a world where taxes have caused wars and continue to be a universal concern, in Hawai'i we finally have a chance to give relief to those who need it most. Unlike simply raising the minimum wage, a refundable earned income tax credit targets those who truly need the money. And the refundable aspect of the earned income tax credit means that you can not only pay zero taxes if you are low income. You can get money back. That is the beauty and power of this vehicle for helping the poor.

"Mr. Speaker, the greatest triumph of the earned income tax credit is that it directly targets those who need the money. I say this again to emphasize this point. This information is derived from income reports and is thus a relatively secure method of finding the most needy, barring the possibility of persons who do not fill out income reports or are dishonest in their declarations. By doing this, the state tax agency will no longer use a blanket payment, but will respond individually to each applicant based on their income. The system is better and more effective than any other means of helping the working poor.

"Mr. Speaker, the bottom line on a refundable earned income tax credit is that it works. The return gives money directly to those who need it most. It helps just that focused group to alleviate a little more of the burden on people and children who are desperately needy."

The motion was put to vote by the Chair and carried, and H.B. No. 1830, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS," passed Third Reading by a vote of 46 ayes, with Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

H.B. No. 2088, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 2088, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Third Reading by a vote of 46 ayes, with Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

H.B. No. 3014, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, H.B. No. 3014, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS," passed Third Reading by a vote of 46 ayes, with Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

H.B. No. 2976, HD 1:

Representative Case moved that H.B. No. 2976, HD 1, pass Third Reading, seconded by Representative Yonamine.

Representative Thielen rose to speak in opposition to the measure, stating:

"This is the more onerous bill of the two that are dismantling our environmental disclosure statute. Since the Hawai'i Tourism Authority has been exempted from the environmental disclosure statute by an earlier measure, I would really question why we would go ahead and pass this bill.

"I would ask the members to really take a look at it and consider adding your voice or your no to all of the noes that were following this measure as it went through the process. There is an exemption process, Mr. Speaker. If any of these agencies or private entities feel that they are exempt from environmental disclosure, they simply go to the Environmental Council, and they say we believe this should be an exempt activity. The Environmental Council is able to make a determination whether those activities should be exempt.

"The Department of Transportation goes in on a regular basis. Counties go in on a regular basis. That's the way to deal with it - not to dismantle our environmental disclosure statute. And as you may all recall, earlier in the day I talked about how 25 or 26 years ago, some very farsighted people, created this environmental disclosure statute.

"The other thing in addition to the exemption process, I was sitting here thinking about what kinds of things could happen when we exempt marketing programs from environmental disclosure. Supposing the Hawai'i Tourism Authority decides

that it wants to use the internet to direct visitors to a very fragile ecosystem on the Island of Kauai. Using this marketing tool on the internet, they put out a very sophisticated map that a tourist simply downloads, and then they're able to go ahead up to this area.

"And supposing in their marketing they decide to say let's have a mini-Woodstock in this fragile area on the Island of Kauai, and it goes out over the internet. Technically that's marketing, but the result of it could be absolutely devastating to our environment. Now what we are doing is going too broadly with this. We're saying that all of you folks out there, private sector as well as governmental sector, we're going to give you a great giant loophole through which you can leap and go ahead and avoid the environmental disclosure statute.

"I assume that the bill since it came out and is on the floor, is going to pass. I hope it is saddled with so many no votes right now that it goes over wounded to the Senate. And I hope that the Senate will use good sense and bury the bill. Thank you."

Representative Morita then rose to speak in opposition to the measure, stating:

"As the previous speaker noted, this bill is unnecessary because Chapter 343-6 and Chapter 343-7 and the Hawai'i Administrative Rules, Chapter 11-208, already set forth a process to exempt from the preparation of an assessment actions that 'will probably have minimal or no significant effects on the environment.'

"Agencies should continue to subscribe to this process rather than rely on legislation to amend the definition of action. The basis for this here called Hawai'i Tourism Authority lawsuit is that HTA failed to seek and declare marketing and research as an exempt activity. To avoid further cause for litigations all other agencies should pro-actively review and amend their exemption list.

"Perhaps an ultimate solution would be a resolution directing the Environmental Council to consider a new exemption class with regard to public funds to marketing and promotion. It appears that research already is an exempt class under HAR 11-208 and 5. Thank you."

Representative Herkes then rose to speak in support of the measure, stating:

"This bill defuses a timebomb that stands over all marketing efforts for tourism in this State. Now let's be clear about one thing. We're talking about the TAT as public money. It is the only tax in the State of Hawai'i that is so narrow that it is only on hotel rooms in the State of Hawai'i. It comes right out of the revenue stream of hotels and only hotels.

"That money could be used for a variety of things. It could be used for marketing, renovations and salary increases and things of that nature. But the hotel industry has chosen to support a bill to increase the TAT and the trade-off being getting some money for marketing. Now let's be clear that the short side over the bow was by the Sierra Club and that's why this bill is here. They have put us on notice. They put the visitor industry on notice that they are going to challenge marketing programs in demanding that they go through the EIS process. Now let's see what that does.

"You think any meeting planner in his or her right mind is going to book a major convention in the State of Hawai'i in a lead time of 4,5, or 6 years and if it's going to be challenged somewhere down the line, it's not having filed an EIS. The group that we belong to, the Big Island Group, which is a joint venture between, county, State and private sector monies. We do annual marketing programs. We commit to advertising space. We would be very reluctant to commit to an annual marketing program if there is a chance that the monies we've

allocated and committed to advertising are going to be challenged to either the EIA or the EIS.

"And as I said in Caucus, the Mayor of the Big Island flies to Japan and convinces the Japan Airlines to have direct flights to Kona. That has a tremendous economic impact. Sure there's an environmental impact. Future Mayors are not going to do that and run the risk of embarrassing the airline, the Office of the Mayor and the county they represent.

"Let's cut to the chase. The objective here is to stop tourism marketing and decrease the size of tourism in the State, stop its growth, downsize the jobs and let's be up-front and say that. Let's address that. Let's not go around the back door. Let's be honest about what we're trying to do here."

Representative Cachola then rose to speak in support of the measure and asked that the remarks of Representative Herkes be entered into the Journal as his own, and the Chair "so ordered". (By reference only.)

Representative Cachola continued, stating:

"Also just to clarify the purpose of H.B. 2976, HD 1. There are two ways to look at it. The first, is to clarify the law's intent by narrowly defining the requirement of an environmental assessment strictly to the marketing and promotional programs. Second, Mr. Speaker, is to exempt the counties and government agencies from the EA requirement on purely marketing and promotional programs. The same way we exempted the Hawai'i Tourism Authority, under H.B. 2245, HD 2, which we passed about several hours ago.

"In fairness to the counties and government agencies, Mr. Speaker, that are now conducting joint promotional and marketing with other destination areas in the State that they need our help by passing this bill out. To act otherwise, we, the Legislature, are saying that the counties and government agencies are second or third class institutions. For all these reasons and those reasons stated by the Representative from the Big Island, I urge my colleagues to vote in support of this bill. Thank you."

Representative Kanoho then rose to speak in support of the measure, stating:

"As previously indicated, this is really a clarifying measure because it has never been intended that tourism promotion monies be subjected to the EIS process. It never has been. As policymakers, we need to be sure that we're logical and consistent. We did pass a similar measure applicable to the Hawai'i Tourism Authority.

"It has been said that the counties can apply for exemptions and that DOT and the counties have sought those exemptions. But we need to realize that application for those applications concern actual construction. The State Supreme Court has suggested that and it is contained in H.B. 2245 which exempts the Hawai'i Tourism Authority. It says it very clearly: 'Departure from literal construction when justified when such construction would produce an absurd and unjust result and the literal construction in the particular action is clearly inconsistent with the purposes and policies of the Act.'

"As previously indicated, if the wish is to curtail tourism, then those who oppose this measure should look at the carrying capacity or perhaps take action to implement a moratorium on hotels or any other way to reduce tourism promotion. For those reasons, Mr. Speaker, I strongly support this measure."

Representative Lee then rose and asked the Clerk to register an aye vote with reservations for her, and the Chair "so ordered."

Representative Takai then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

Representative Morihara then rose and asked the Clerk to register an aye vote with reservations for him, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 2976, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ACTIONS WHICH CONCERN PROGRAMS OR DEVELOPMENT PROJECTS," passed Third Reading by a vote of 37 ayes to 9 noes, with Representatives Catalani, Hiraki, Kaho'ohalahala, Morita, Santiago, Schatz, Pendleton, Takumi and Thielen voting no and Representatives Arakaki, Chang, Fox, Okamura and Oshiro being excused.

The Chair directed the Clerk to note that H.B. Nos. 2447, 2448, 2458, 1830, 2088, 3014 and 2976 had passed Third Reading at 9:09 o'clock p.m.

STANDING COMMITTEE REPORTS

Representative Takamine, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 868-00) recommending that H.B. No. 1900, as amended in HD 1, pass Second Reading and be placed on the calendar for Third Reading.

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 1900, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Second Reading and was placed on the calendar for Third Reading, with Representatives Arakaki, Chang, Fox and Okamura being excused.

Representative Takamine, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 869-00) recommending that H.B. No. 2650, as amended in HD 1, pass Third Reading.

By unanimous consent, consideration of Stand. Com. Rep. No. 869-00 and H.B. No. 2650, HD 1, was deferred, and in accordance with Article III, Section 15, of the Constitution of the State of Hawai'i, printed copies of H.B. No. 2650, HD 1, were made available to the members of the House.

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 45 and 46) and concurrent resolutions (H.C.R. Nos. 38 through 41) were referred to Printing and further action was deferred:

H.R. No. 45, entitled: "HOUSE RESOLUTION REQUESTING THE SECRETARY OF VETERANS AFFAIRS AND CONGRESSIONAL LEADERS TO WORK TOWARD ALLOWING FILIPINO-AMERICAN VETERANS TO BE BURIED IN NATIONAL OR STATE VETERANS CEMETERIES," was jointly offered by Representatives Cachola, Menor, Garcia, Abinsay, Espero, Pendleton, Arakaki and Herkes.

H.R. No. 46, entitled: "HOUSE RESOLUTION SUPPORTING FEDERAL RECOGNITION OF A HAWAIIAN NATION," was jointly offered by Representatives Kaho'ohalahala, Ahu Isa, Morita, Auwae, Kanoho, Kawakami and Kahikina.

H.C.R. No. 38, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO EXAMINE WAYS TO INCREASE THE NUMBER OF LICENSED

PSYCHOLOGISTS IN HAWAII," was jointly offered by Representatives Kahikina, Arakaki, Stegmaier, Morihara, Auwae, Espero, Moses, Morita, Abinsay, Ahu Isa, Case, Catalani, Fox, Garcia, Halford, Hamakawa, Herkes, Hiraki, Kanoho, Kawakami, Luke, Marumoto, McDermott, Nakasone, Rath, Saiki, Santiago, Schatz, Souki, Suzuki, Takai, Takumi, Thielen, Yamane and Yonamine.

H.C.R. No. 39, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO WORK WITH SERVICE PROVIDERS AND THE DEPARTMENT OF HEALTH TO DETERMINE A REASONABLE RENTAL FEE TO IMPROVE INFRASTRUCTURE ON THE WAIMANO TRAINING SCHOOL AND HOSPITAL GROUNDS," was jointly offered by Representatives Kahikina, Arakaki, Yamane, Auwae, Morita, Yonamine, Moses, Abinsay, Ahu Isa, Cachola, Catalani, Chang, Espero, Garcia, Goodenow, Halford, Hamakawa, Herkes, Hiraki, Kaho'ohalahala, Kanoho, Kawakami, Leong, Luke, Marumoto, McDermott, Meyer, Morihara, Nakasone, Rath, Saiki, Santiago, Schatz, Souki, Stegmaier, Suzuki, Takai, Takumi, Thielen and Whalen.

H.C.R. No. 40, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE SECRETARY OF VETERANS AFFAIRS AND CONGRESSIONAL LEADERS TO WORK TOWARD ALLOWING FILIPINO-AMERICAN VETERANS TO BE BURIED IN NATIONAL OR STATE VETERANS CEMETERIES," was jointly offered by Representatives Cachola, Garcia, Menor, Abinsay, Espero, Pendleton, Arakaki and Herkes.

H.C.R. No. 41, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING FEDERAL RECOGNITION OF A HAWAIIAN NATION," was jointly offered by Representatives Kaho'ohalahala, Auwae, Kawakami, Kahikina, Morita, Ahu Isa, Kanoho, Santiago, Chang, Ito, Cachola, Say, Case, Oshiro, Yonamine, Garcia, Takamine, Arakaki, Souki, Stegmaier, Takai, Catalani, Leong, Rath, Halford, Menor, Lee, Saiki, Hiraki, Meyer, Herkes, Whalen, Thielen, Pendleton, McDermott, Okamura, Morihara, Abinsay, Suzuki, Yoshinaga, Luke, Nakasone, Fox, Marumoto, Moses, Goodenow, Schatz, Yamane, Espero, Hamakawa and Takumi.

HOUSE COMMUNICATIONS

A communication dated March 7, 2000, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable Benjamin J. Cayetano, Governor of the State of Hawai'i, giving notice of the final form of House Bill No. 283, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," in accordance with the provisions of Article XVII, Section 3 of the Hawai'i State Constitution.

A communication dated March 7, 2000, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable Benjamin J. Cayetano, Governor of the State of Hawai'i, giving notice of the final form of House Bill No. 2820, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," in accordance with the provision of Article XVII, Section 3 of the Hawai'i State Constitution.

ANNOUNCEMENTS

Representative Garcia: "Mr. Speaker, as it was announced earlier today, just a reminder for the members. Tomorrow will be third and final installment of a series of so called 'New Economy Days' that have been staged here at the State Capitol. I believe I had mentioned that the three industries that we are focusing on tomorrow will be the fashion industry, the forestry industry, and the food manufacturers. Just for the members, some highlights, lunch will be served shortly after the caucus, sometime in the afternoon I would imagine in Room 309.

"If you notice on the fourth floor, the exhibit tables are already up and last week the Governor had proclaimed that this year as the year of the Aloha Wear or Aloha Shirt. In that spirit, I would encourage the members to see if they could wear their hemp wear tomorrow because hemp products will also be on display on the fourth floor. It will be a unique kind of new product show in Room 423 by the food manufacturers, and some very interesting wood carvings by our friends from the forestry industry.

"So I invite the members to please attend the exhibits and of course the lunch that will be served in Room 309 tomorrow. Thank you."

Representative Lee: "Mr. Speaker, since we're not going to be here tomorrow, I just wanted to say a few words to commemorate International Women's Day, which is tomorrow. As you remember, last year this House passed a resolution ratifying the CEDAW Convention. The United States has failed to ratify the convention, therefore, women in the United States have not been able to use CEDAW in their fight against discrimination, which women in other nations have been able to do. Could I ask that my remarks be recorded in the Journal."

Representative Lee's remarks are as follows:

"Mr. Speaker, I would like to say a few words to commemorate International Women's Day.

"Most of us living here in the United States probably think that International Women's Day is of little consequence because most of the women in this country enjoy a good standard of living. While for the most part that is true, there are some disturbing elements in this country that should be a signal to us all that women and men alike, must continue to fight for the rights of women not only internationally, but domestically as well.

"In 1979 the United Nations General Assembly ratified the Convention on the Elimination of All Form of Discrimination Against Women (CEDAW). The United States played a key role in drafting the Convention, and was one of the first countries to sign it, but has yet to ratify it. The signing nations resolve to eliminate all forms of discrimination against women, and to actively ensure the development and advancement of women in society. Participating nations are required to create a society in which men and women participate equally in political and public life; education; employment; health care; sports, and recreation; economic development; legal affairs; marriage; and family relations.

"The United States has failed to ratify the Convention, and therefore women in the United States have not been able to use CEDAW in their fight against discrimination, as women in other nations have been able to.

"1999 marked the 20th anniversary of the Convention. Senator Barbara Boxer submitted a resolution urging the Senate to hold hearings and to act on the Convention by today, International Women's Day. President Clinton has also urged the Senate to ratify the treaty, as it would allow the U.S. to be more effective in its international effort to promote women's rights.

"Ratifying the CEDAW would demonstrate this country's dedication to achieving equality for women, and would demonstrate that women's rights are human rights.

"Hawai'i can be proud that we are one of 10 states to pass resolutions encouraging the ratification of the CEDAW. I urge all of my colleagues to continue to fight for this important human rights measure by contacting members of the Senate Foreign Relations Committee and urge them to hold hearings on the treaty.

"On this International Women's Day, we must question why our nation, which purports to be a champion of human rights, has failed to ratify the most basic and fundamental treaties, one that merely recognizes the right of women to equal treatment and opportunity.

"The fact that we have not signed onto this international treaty is a shame to our nation, and hurts our place in the international community as a human rights leader."

Representative Pendleton: "Mr. Speaker, just a brief announcement for the Minority Caucus, we will be having a caucus meeting Thursday morning, 10:00 o'clock a.m."

Representative Ahu Isa: "Mr. Speaker, since we won't be meeting tomorrow, can my colleagues join me in wishing happy birthday to Representative Romy Cachola. His birthday is tomorrow. Happy birthday Romy."

Representative Cachola: "Mr. Speaker, if I remember right, it's not only my birthday tomorrow. I think it is Representative Colleen Meyer's birthday too. Give her a hand. And Representative Bob Nakasone too."

Representative Case: "Mr. Speaker, this is a reminder to the Majority Caucus of our caucus tomorrow at 11:00 o'clock a.m. Thank you."

ADJOURNMENT

At 9:15 o'clock p.m., on motion by Representative Yonamine, seconded by Representative Pendleton and carried, the House of Representatives adjourned until 11:30 o'clock a.m., Thursday, March 9, 2000. (Representatives Arakaki, Chang, Fox, Okamura and Yoshinaga were excused.)

TWENTY-EIGHTH DAY

Thursday, March 9, 2000

The House of Representatives of the Twentieth Legislature of the State of Hawai'i, Regular Session of 2000, convened at 11:00 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Reverend Mari Sengoku from the Honpa Hongwanji Mission of Hawai'i, after which the Roll was called showing all members present with the exception of Representatives Cachola, Goodenow, Herkes, Okamura, Santiago, Souki, Stegmaier and Takumi, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Twenty-Seventh Day was deferred.

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 164 through 168) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 164, transmitting copies of the report Requesting that the Department of Health Submit a Report Itemizing the Levels of Funding for All STD/AIDS Prevention Providers, in compliance with Section 17 of Act 91, Session Laws of Hawai'i, 1999.

Gov. Msg. No. 165, transmitting copies of a report Relating to Integrated Solid Waste Management, pursuant to Section 342G-15, Hawai'i Revised Statutes.

Gov. Msg. No. 166, transmitting copies of the Department of Human Services, Report on Expenditures, Status and Projected Needs for the Medicaid Management Information System and the Hawai'i Automated Welfare Information System, as required by Act 91, Session Laws of Hawai'i, 1999, Budget Proviso Section 28.

Gov. Msg. No. 167, transmitting copies of the 1999 Annual Report prepared by the High Technology Development Corporation, pursuant to Chapter 206M, Hawai'i Revised Statutes, as amended.

Gov. Msg. No. 168, transmitting copies of the Statewide Substance Abuse Treatment Plan.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. No. 50 through 366) were received and announced by the Clerk and were placed on file.

Sen. Com. No. 49 transmitting H.B. No. 164, SD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 6, OF THE HAWAII CONSTITUTION, TO CHANGE THE ELIGIBILITY REQUIREMENTS FOR MEMBERSHIP IN THE SENATE OR HOUSE OF REPRESENTATIVES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 50 transmitting S.B. No. 13, entitled: "A BILL FOR AN ACT RELATING TO PROCESS SERVERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 51 transmitting S.B. No. 35, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO MATCH FEDERAL FUNDS FOR THE HAWAII FORESTRY

AND COMMUNITIES INITIATIVE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 52 transmitting S.B. No. 278, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 53 transmitting S.B. No. 364, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 54 transmitting S.B. No. 445, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FUNDS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 55 transmitting S.B. No. 539, SD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 6, OF THE HAWAII CONSTITUTION, TO PROVIDE THE UNIVERSITY OF HAWAII WITH AUTONOMY IN ALL MATTERS RELATED TO THE UNIVERSITY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 56 transmitting S.B. No. 791, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 57 transmitting S.B. No. 800, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 58 transmitting S.B. No. 862, SD 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL USE OF MARIJUANA," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 59 transmitting S.B. No. 1242, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATURE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 60 transmitting S.B. No. 1390, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC VIOLATIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 61 transmitting S.B. No. 1427, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 62 transmitting S.B. No. 2001, SD 2, entitled: "A BILL FOR AN ACT RELATING TO COUNTY TORT LIABILITY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 63 transmitting S.B. No. 2003, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO MATCH FEDERAL FUNDS FOR THE ESTABLISHMENT OF MANUFACTURING EXTENSION PROGRAMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 64 transmitting S.B. No. 2005, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 65 transmitting S.B. No. 2021, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 66 transmitting S.B. No. 2040, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DEVELOPMENTAL

DISABILITIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 67 transmitting S.B. No. 2058, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 68 transmitting S.B. No. 2059, SD 1, entitled: "A BILL FOR AN ACT RELATING TO WELFARE REFORM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 69 transmitting S.B. No. 2061, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC OFFICERS AND EMPLOYEES AND EMPLOYMENT PRACTICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 70 transmitting S.B. No. 2062, SD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 71 transmitting S.B. No. 2064, entitled: "A BILL FOR AN ACT REPEALING SECTION 327E-13(G), HAWAII REVISED STATUTES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 72 transmitting S.B. No. 2074, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 73 transmitting S.B. No. 2075, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE GOOD BEGINNINGS ALLIANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 74 transmitting S.B. No. 2093, SD2, entitled: "A BILL FOR AN ACT RELATING TO VETERANS RIGHTS AND BENEFITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 75 transmitting S.B. No. 2106, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL FUNDING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 76 transmitting S.B. No. 2108, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 77 transmitting S.B. No. 2109, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 78 transmitting S.B. No. 2110, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN HOME LANDS TRUST INDIVIDUAL CLAIMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 79 transmitting S.B. No. 2112, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WAIANAE COAST COMMUNITY BENCHMARKING PILOT PROJECT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 80 transmitting S.B. No. 2114, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 81 transmitting S.B. No. 2115, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FALSE CLAIMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 82 transmitting S.B. No. 2118, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 83 transmitting S.B. No. 2131, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL CONSTRUCTION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 84 transmitting S.B. No. 2132, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 85 transmitting S.B. No. 2134, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE AND ANIMALS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 86 transmitting S.B. No. 2138, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL FACILITIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 87 transmitting S.B. No. 2144, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 88 transmitting S.B. No. 2147, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 89 transmitting S.B. No. 2150, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 90 transmitting S.B. No. 2151, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 91 transmitting S.B. No. 2152, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERSTATE COMPACT FOR THE SUPERVISION OF ADULT OFFENDERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 92 transmitting S.B. No. 2163, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AEROMEDICAL SERVICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 93 transmitting S.B. No. 2164, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ORGANIC AGRICULTURE INDUSTRY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 94 transmitting S.B. No. 2165, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NATUROPATHIC PHYSICIANS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 95 transmitting S.B. No. 2166, entitled: "A BILL FOR AN ACT RELATING TO WIND FARMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 96 transmitting S.B. No. 2171, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 97 transmitting S.B. No. 2181, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND

TRUST," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 98 transmitting S.B. No. 2186, SD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 99 transmitting S.B. No. 2192, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE WHISTLEBLOWER PROTECTION ACT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 100 transmitting S.B. No. 2194, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INCOME TAX CREDITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 101 transmitting S.B. No. 2200, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 102 transmitting S.B. No. 2205, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 103 transmitting S.B. No. 2218, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NEW CENTURY CHARTER SCHOOLS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 104 transmitting S.B. No. 2219, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL FACILITIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 105 transmitting S.B. No. 2220, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE REMOVAL OF NUISANCE SEAWEED," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 106 transmitting S.B. No. 2221, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ETHANOL," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 107 transmitting S.B. No. 2224, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 108 transmitting S.B. No. 2245, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL FEE SCHEDULES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 109 transmitting S.B. No. 2247, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FERAL ANIMALS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 110 transmitting S.B. No. 2254, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PRIVACY OF HEALTH CARE INFORMATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 111 transmitting S.B. No. 2277, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LAND COURT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 112 transmitting S.B. No. 2278, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 113 transmitting S.B. No. 2279, SD 1, entitled: "A BILL FOR AN ACT RELATING TO UTILITY LINES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 114 transmitting S.B. No. 2282, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 115 transmitting S.B. No. 2283, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 116 transmitting S.B. No. 2287, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 117 transmitting S.B. No. 2289, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PREPAID TELEPHONE CALLING SERVICE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 118 transmitting S.B. No. 2292, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE CODE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 119 transmitting S.B. No. 2296, entitled: "A BILL FOR AN ACT RELATING TO UNIFORM DISCLAIMER OF PROPERTY INTERESTS ACT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 120 transmitting S.B. No. 2299, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 121 transmitting S.B. No. 2300, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 122 transmitting S.B. No. 2301, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 123 transmitting S.B. No. 2303, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 124 transmitting S.B. No. 2304, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR CARRIER LAW," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 125 transmitting S.B. No. 2306, SD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 126 transmitting S.B. No. 2307, SD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR CARRIERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 127 transmitting S.B. No. 2311, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MANDATORY USE OF SEATBELTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 128 transmitting S.B. No. 2312, SD 1, entitled: "A BILL FOR AN ACT RELATING TO A HOISTING MACHINE OPERATORS CERTIFICATION REVOLVING FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 129 transmitting S.B. No. 2316, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVER'S LICENSES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 130 transmitting S.B. No. 2317, SD 2, entitled: "A BILL FOR AN ACT RELATING TO BOARDS OF WATER SUPPLY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 131 transmitting S.B. No. 2318, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE REVOCATION OF DRIVER'S LICENSES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 132 transmitting S.B. No. 2320, SD 1, entitled: "A BILL FOR AN ACT RELATING TO A LONG-TERM CARE COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 133 transmitting S.B. No. 2326, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE BENEFITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 134 transmitting S.B. No. 2333, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS PROPERTY REGIMES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 135 transmitting S.B. No. 2342, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR PROCESSING ENTERPRISES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 136 transmitting S.B. No. 2343, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 137 transmitting S.B. No. 2345, SD 2, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY RESOURCES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 138 transmitting S.B. No. 2348, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MUNICIPAL SERVICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 139 transmitting S.B. No. 2352, SD 2, entitled: "A BILL FOR AN ACT RELATING TO COMPUTER OFFENSES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 140 transmitting S.B. No. 2353, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF INFORMATION PRACTICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 141 transmitting S.B. No. 2369, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 142 transmitting S.B. No. 2374, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE

PENAL CODE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 143 transmitting S.B. No. 2387, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 144 transmitting S.B. No. 2405, entitled: "A BILL FOR AN ACT RELATING TO DRIVER'S LICENSE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 145 transmitting S.B. No. 2409, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 146 transmitting S.B. No. 2411, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR PROCESSING ENTERPRISES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 147 transmitting S.B. No. 2412, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 148 transmitting S.B. No. 2416, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCESS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 149 transmitting S.B. No. 2419, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL ACCESS PROGRAM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 150 transmitting S.B. No. 2420, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 151 transmitting S.B. No. 2421, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 152 transmitting S.B. No. 2426, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 153 transmitting S.B. No. 2427, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR COMPENSATION OF CRIME VICTIMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 154 transmitting S.B. No. 2429, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CRIME," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 155 transmitting S.B. No. 2430, entitled: "A BILL FOR AN ACT RELATING TO CIVIL RIGHTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 156 transmitting S.B. No. 2432, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR COMPENSATION OF CRIME VICTIMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 157 transmitting S.B. No. 2433, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PRISONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 158 transmitting S.B. No. 2434, SD 2, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 159 transmitting S.B. No. 2436, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 160 transmitting S.B. No. 2437, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 161 transmitting S.B. No. 2438, entitled: "A BILL FOR AN ACT RELATING TO JUDGMENTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 162 transmitting S.B. No. 2441, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DANGEROUS DOGS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 163 transmitting S.B. No. 2442, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 164 transmitting S.B. No. 2443, entitled: "A BILL FOR AN ACT RELATING TO FAMILIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 165 transmitting S.B. No. 2446, SD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR THE PROTECTION OF CHILDREN AND FAMILIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 166 transmitting S.B. No. 2448, SD 2, entitled: "A BILL FOR AN ACT RELATING TO AUTISM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 167 transmitting S.B. No. 2456, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BLUEPRINT FOR CHANGE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 168 transmitting S.B. No. 2459, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 169 transmitting S.B. No. 2465, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PORNOGRAPHY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 170 transmitting S.B. No. 2466, SD 1, entitled: "A BILL FOR AN ACT RELATING TO COMPUTER ACCESS BY MINORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 171 transmitting S.B. No. 2467, SD 2, entitled: "A BILL FOR AN ACT RELATING TO UNLICENSED CONTRACTORS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 172 transmitting S.B. No. 2469, SD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 173 transmitting S.B. No. 2470, SD 1, entitled: "A BILL FOR AN ACT RELATING TO

EDUCATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 174 transmitting S.B. No. 2473, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS DEFENDER," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 175 transmitting S.B. No. 2474, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL AID," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 176 transmitting S.B. No. 2475, SD 1, entitled: "A BILL FOR AN ACT RELATING TO GENDER EQUITY IN SPORTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 177 transmitting S.B. No. 2477, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRUSTEES OF THE OFFICE OF HAWAIIAN AFFAIRS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 178 transmitting S.B. No. 2479, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ELECTION OF THE BOARD OF TRUSTEES OF THE OFFICE OF HAWAIIAN AFFAIRS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 179 transmitting S.B. No. 2480, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ANNULMENT, DIVORCE, AND SEPARATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 180 transmitting S.B. No. 2482, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY BUSINESS TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 181 transmitting S.B. No. 2484, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID RECOVERY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 182 transmitting S.B. No. 2486, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 183 transmitting S.B. No. 2489, SD 2, entitled: "A BILL FOR AN ACT RELATING TO BRAIN INJURY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 184 transmitting S.B. No. 2490, SD 2, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM RESIDENTIAL CARE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 185 transmitting S.B. No. 2493, SD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR SUBSTANCE ABUSE TREATMENT SERVICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 186 transmitting S.B. No. 2494, SD 2, entitled: "A BILL FOR AN ACT RELATING TO EMPOWERMENT OF THE BLIND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 187 transmitting S.B. No. 2496, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAII TOBACCO SETTLEMENT MONEYS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 188 transmitting S.B. No. 2499, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE LEGISLATIVE AGENCIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 189 transmitting S.B. No. 2509, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT PRACTICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 190 transmitting S.B. No. 2513, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONVEYANCE TAX," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 191 transmitting S.B. No. 2521, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL SERVICE CONTRACTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 192 transmitting S.B. No. 2522, SD 1, entitled: "A BILL FOR AN ACT RELATING TO OFFICE OF INFORMATION PRACTICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 193 transmitting S.B. No. 2523, SD 1, entitled: "A BILL FOR AN ACT RELATING TO FEES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 194 transmitting S.B. No. 2527, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 195 transmitting S.B. No. 2529, SD 1, entitled: "A BILL FOR AN ACT RELATING TO A LAND EXCHANGE IN NORTH KONA, HAWAII," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 196 transmitting S.B. No. 2530, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 197 transmitting S.B. No. 2533, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 198 transmitting S.B. No. 2536, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM PRINCIPAL AND INCOME ACT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 199 transmitting S.B. No. 2542, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 200 transmitting S.B. No. 2544, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATIVE ANALYST," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 201 transmitting S.B. No. 2545, entitled: "A BILL FOR AN ACT RELATING TO GLASS RECOVERY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 202 transmitting S.B. No. 2549, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY CONSERVATION TAX CREDITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 203 transmitting S.B. No. 2561, SD 2, entitled: "A BILL FOR AN ACT RELATING TO

INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 204 transmitting S.B. No. 2562, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 205 transmitting S.B. No. 2563, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 206 transmitting S.B. No. 2571, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL-BASED BUDGETING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 207 transmitting S.B. No. 2572, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII FACILITIES USE REVOLVING FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 208 transmitting S.B. No. 2574, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 209 transmitting S.B. No. 2575, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII FACILITIES IMPROVEMENTS SPECIAL FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 210 transmitting S.B. No. 2576, SD 2, entitled: "A BILL FOR AN ACT RELATING TO STATE OWNED PUBLIC HOUSING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 211 transmitting S.B. No. 2578, SD 1, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL LEASE-TO-FEE CONVERSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 212 transmitting S.B. No. 2579, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 213 transmitting S.B. No. 2584, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 214 transmitting S.B. No. 2589, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INDEPENDENT MEDICAL EXAMINATIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 215 transmitting S.B. No. 2598, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 216 transmitting S.B. No. 2605, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY LAW," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 217 transmitting S.B. No. 2607, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMISSION ON THE STATUS OF WOMEN," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 218 transmitting S.B. No. 2621, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 219 transmitting S.B. No. 2634, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 220 transmitting S.B. No. 2635, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAYS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 221 transmitting S.B. No. 2637, SD 1, entitled: "A BILL FOR AN ACT RELATING TO VICTIMS AND WITNESSES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 222 transmitting S.B. No. 2643, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC OFFENSES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 223 transmitting S.B. No. 2654, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRAUMATIC BRAIN INJURY TRUST FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 224 transmitting S.B. No. 2655, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 225 transmitting S.B. No. 2657, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 226 transmitting S.B. No. 2658, entitled: "A BILL FOR AN ACT RELATING TO GENERAL ASSISTANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 227 transmitting S.B. No. 2666, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 228 transmitting S.B. No. 2668, SD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 229 transmitting S.B. No. 2672, entitled: "A BILL FOR AN ACT RELATING TO CONFLICTS OF INTERESTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 230 transmitting S.B. No. 2674, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENTAL EMPLOYEE ORGANIZATION MEETINGS HELD DURING STATE WORKING HOURS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 231 transmitting S.B. No. 2675, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SALARY OF THE EXECUTIVE DIRECTOR OF THE STATE ETHICS COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 232 transmitting S.B. No. 2685, entitled: "A BILL FOR AN ACT RELATING TO TRUSTS AND ESTATES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 233 transmitting S.B. No. 2686, SD 1, entitled: "A BILL FOR AN ACT RELATING TO

VEHICLES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 234 transmitting S.B. No. 2690, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PROBATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 235 transmitting S.B. No. 2691, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 236 transmitting S.B. No. 2692, SD 2, entitled: "A BILL FOR AN ACT RELATING TO SALARIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 237 transmitting S.B. No. 2706, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 238 transmitting S.B. No. 2711, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE PROCEDURE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 239 transmitting S.B. No. 2716, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 240 transmitting S.B. No. 2717, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL WORKERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 241 transmitting S.B. No. 2722, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN LANGUAGE IMMERSION PROGRAM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 242 transmitting S.B. No. 2725, entitled: "A BILL FOR AN ACT RELATING TO TOWING COMPANIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 243 transmitting S.B. No. 2729, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SERVICE CONTRACTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 244 transmitting S.B. No. 2731, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 245 transmitting S.B. No. 2736, SD 2, entitled: "A BILL FOR AN ACT RELATING TO KIKALAKEOKEA," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 246 transmitting S.B. No. 2742, entitled: "A BILL FOR AN ACT RELATING TO PORK," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 247 transmitting S.B. No. 2745, SD 1, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 248 transmitting S.B. No. 2750, SD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES, INFORMATION AND

COMMUNICATION SERVICES DIVISION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 249 transmitting S.B. No. 2751, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE STATE AND PROVIDING APPROPRIATIONS THEREFOR," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 250 transmitting S.B. No. 2758, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 251 transmitting S.B. No. 2759, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CERTIFICATES OF IDENTIFICATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 252 transmitting S.B. No. 2764, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO PRODUCTS REPORT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 253 transmitting S.B. No. 2766, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 254 transmitting S.B. No. 2769, entitled: "A BILL FOR AN ACT RELATING TO REDUCING GREENHOUSE GAS EMISSIONS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 255 transmitting S.B. No. 2779, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 256 transmitting S.B. No. 2781, SD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 257 transmitting S.B. No. 2782, SD 1, entitled: "A BILL FOR AN ACT RELATING TO BIOLOGICAL MATERIALS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 258 transmitting S.B. No. 2783, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT FINANCING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 259 transmitting S.B. No. 2793, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 260 transmitting S.B. No. 2802, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 261 transmitting S.B. No. 2804, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES RECOGNITION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 262 transmitting S.B. No. 2805, entitled: "A BILL FOR AN ACT RELATING TO THE DUTIES OF THE BOARD OF NURSING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 263 transmitting S.B. No. 2808, entitled: "A BILL FOR AN ACT RELATING TO THE CONSUMER ADVOCATE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 264 transmitting S.B. No. 2809, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 265 transmitting S.B. No. 2811, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 266 transmitting S.B. No. 2814, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 267 transmitting S.B. No. 2815, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 268 transmitting S.B. No. 2818, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 269 transmitting S.B. No. 2819, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 270 transmitting S.B. No. 2826, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EXEMPTIONS FOR PSYCHOLOGIST LICENSURE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 271 transmitting S.B. No. 2827, entitled: "A BILL FOR AN ACT RELATING TO CHIROPRACTIC LICENSURE REQUIREMENTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 272 transmitting S.B. No. 2829, SD 1, entitled: "A BILL FOR AN ACT RELATING TO RETURN OF PRESCRIPTION DRUGS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 273 transmitting S.B. No. 2830, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT OF SCHOOL PRINCIPALS AND VICE PRINCIPALS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 274 transmitting S.B. No. 2836, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 275 transmitting S.B. No. 2837, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATIONAL ACCOUNTABILITY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 276 transmitting S.B. No. 2838, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE INTERNET PORTAL," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 277 transmitting S.B. No. 2843, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT, 1920, AS AMENDED," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 278 transmitting S.B. No. 2847, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PROSPECTIVE ADOPTIVE PARENTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 279 transmitting S.B. No. 2848, entitled: "A BILL FOR AN ACT RELATING TO THE PERMANENT PLAN HEARING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 280 transmitting S.B. No. 2856, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 281 transmitting S.B. No. 2857, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ASSISTANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 282 transmitting S.B. No. 2858, SD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE STATE MEDICAL ASSISTANCE PROGRAM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 283 transmitting S.B. No. 2859, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 284 transmitting S.B. No. 2863, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ADVANCE HEALTH-CARE DIRECTIVES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 285 transmitting S.B. No. 2866, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 286 transmitting S.B. No. 2867, entitled: "A BILL FOR AN ACT RELATING TO USED OIL," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 287 transmitting S.B. No. 2869, entitled: "A BILL FOR AN ACT RELATING TO SAFE DRINKING WATER," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 288 transmitting S.B. No. 2870, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SAFE DRINKING WATER," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 289 transmitting S.B. No. 2872, SD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 290 transmitting S.B. No. 2873, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII HEALTH SYSTEMS CORPORATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 291 transmitting S.B. No. 2877, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD AND ADOLESCENT MENTAL HEALTH," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 292 transmitting S.B. No. 2879, SD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE TIRES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 293 transmitting S.B. No. 2880, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENTAL RESPONSE REVOLVING FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 294 transmitting S.B. No. 2883, SD 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE STATE'S MEDICAID HOME AND COMMUNITY BASED SERVICES FOR THE DEVELOPMENTALLY DISABLED OR MENTALLY RETARDED PROGRAM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 295 transmitting S.B. No. 2892, entitled: "A BILL FOR AN ACT RELATING TO THE CORRECTION OF THE APPLICABLE FISCAL YEAR FOR THE APPROPRIATION TO BE EXPENDED BY THE DEPARTMENT OF HEALTH IN SECTION 6 OF ACT 304, SESSION LAWS OF HAWAII 1999," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 296 transmitting S.B. No. 2893, SD 1, entitled: "A BILL FOR AN ACT RELATING TO MINIMUM WAGE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 297 transmitting S.B. No. 2903, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FIRE COUNCIL," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 298 transmitting S.B. No. 2904, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FIRE COUNCIL," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 299 transmitting S.B. No. 2905, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 300 transmitting S.B. No. 2906, entitled: "A BILL FOR AN ACT RELATING TO GARMENT INDUSTRY HOMEWORK," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 301 transmitting S.B. No. 2909, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE PARKS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 302 transmitting S.B. No. 2910, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMMERCIAL FISHERIES SPECIAL FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 303 transmitting S.B. No. 2911, entitled: "A BILL FOR AN ACT RELATING TO THE BOATING SPECIAL FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 304 transmitting S.B. No. 2914, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SPECIAL FUNDS OF THE LAND DIVISION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 305 transmitting S.B. No. 2915, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SPECIAL LAND AND DEVELOPMENT FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 306 transmitting S.B. No. 2917, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE WATER RESOURCE MANAGEMENT FUND," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 307 transmitting S.B. No. 2918, SD 2, entitled: "A BILL FOR AN ACT RELATING TO HUNTING LICENSES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 308 transmitting S.B. No. 2924, SD 1, entitled: "A BILL FOR AN ACT RELATING TO OPEN MEETINGS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 309 transmitting S.B. No. 2925, entitled: "A BILL FOR AN ACT RELATING TO THE FUEL TAX," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 310 transmitting S.B. No. 2930, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 311 transmitting S.B. No. 2931, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 312 transmitting S.B. No. 2933, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION COMMISSION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 313 transmitting S.B. No. 2935, SD 1, entitled: "A BILL FOR AN ACT RELATING TO DANGEROUS DRUGS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 314 transmitting S.B. No. 2941, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 3, OF THE STATE CONSTITUTION TO PROVIDE FOR THE APPOINTMENT OF A TAX REVIEW COMMISSION EVERY TEN YEARS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 315 transmitting S.B. No. 2945, SD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 316 transmitting S.B. No. 2948, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 317 transmitting S.B. No. 2953, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROL OF VENDING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 318 transmitting S.B. No. 2955, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 319 transmitting S.B. No. 2961, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RELIEF OF CERTAIN PERSONS' CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 320 transmitting S.B. No. 2964, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 321 transmitting S.B. No. 2971, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 322 transmitting S.B. No. 2974, entitled: "A BILL FOR AN ACT RELATING TO SUBSTANCE ABUSE INSURANCE BENEFITS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 323 transmitting S.B. No. 2982, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 324 transmitting S.B. No. 2983, SD 2, entitled: "A BILL FOR AN ACT RELATING TO LANDOWNERS' LIABILITY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 325 transmitting S.B. No. 2986, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 326 transmitting S.B. No. 2987, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 327 transmitting S.B. No. 2988, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS AND PROCUREMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 328 transmitting S.B. No. 2990, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RECYCLING OF BATTERIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 329 transmitting S.B. No. 2993, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE ENVIRONMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 330 transmitting S.B. No. 2996, SD 2, entitled: "A BILL FOR AN ACT RELATING TO JUVENILES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 331 transmitting S.B. No. 3002, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 332 transmitting S.B. No. 3003, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 333 transmitting S.B. No. 3019, SD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE HEALTHY START PROGRAM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 334 transmitting S.B. No. 3023, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 335 transmitting S.B. No. 3026, SD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL FACILITIES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 336 transmitting S.B. No. 3031, SD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAYS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 337 transmitting S.B. No. 3032, SD 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 338 transmitting S.B. No. 3038, SD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 339 transmitting S.B. No. 3041, SD 1, entitled: "A BILL FOR AN ACT RELATING TO OPTOMETRY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 340 transmitting S.B. No. 3043, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE STATE RISK MANAGEMENT AND INSURANCE ADMINISTRATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 341 transmitting S.B. No. 3049, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 342 transmitting S.B. No. 3051, SD 2, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR EXPORT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 343 transmitting S.B. No. 3073, SD 2, entitled: "A BILL FOR AN ACT RELATING TO IMPAIRED DRIVING," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 344 transmitting S.B. No. 3079, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL TRESPASS IN THE FIRST DEGREE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 345 transmitting S.B. No. 3100, entitled: "A BILL FOR AN ACT RELATING TO TEMPORARY INSTRUCTION PERMIT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 346 transmitting S.B. No. 3102, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSE RENEWAL BY MAIL," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 347 transmitting S.B. No. 3104, SD 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 348 transmitting S.B. No. 3117, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 349 transmitting S.B. No. 3122, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NONCOMMERCIAL PIERS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 350 transmitting S.B. No. 3123, SD 2, entitled: "A BILL FOR AN ACT RELATING TO POST-SECONDARY EDUCATION," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 351 transmitting S.B. No. 3125, SD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLICATION OF NOTICE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 352 transmitting S.B. No. 3129, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN HEALING PRACTICES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 353 transmitting S.B. No. 3132, SD 2, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 354 transmitting S.B. No. 3133, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 355 transmitting S.B. No. 3141, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 356 transmitting S.B. No. 3160, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE SALE OF RESIDENTIAL CONDOMINIUM APARTMENTS TO OWNER-OCCUPANTS," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 357 transmitting S.B. No. 3176, SD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 358 transmitting S.B. No. 3177, SD 1, entitled: "A BILL FOR AN ACT RELATING TO JUDGES," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 359 transmitting S.B. No. 3179, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 360 transmitting S.B. No. 3190, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 361 transmitting S.B. No. 3192, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 362 transmitting S.B. No. 3193, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII INSURANCE EXCHANGE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 363 transmitting S.B. No. 3194, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE RIGHT TO FARM," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 364 transmitting S.B. No. 3195, entitled: "A BILL FOR AN ACT RELATING TO GARNISHMENT," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 365 transmitting S.B. No. 3199, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANT AND NON-DOMESTIC ANIMAL QUARANTINE," which passed Third Reading in the Senate on March 7, 2000.

Sen. Com. No. 366 transmitting S.B. No. 3201, SD 1, entitled: "A BILL FOR AN ACT RELATING TO A SCENIC HIGHWAYS SYSTEM," which passed Third Reading in the Senate on March 7, 2000.

On motion by Representative Yonamine, seconded by Representative Pendleton and carried, S.B. Nos. 13; 35; 278, SD2; 364, SD2; 445, SD1; 539, SD1; 791, SD2; 800, SD2; 862, SD2; 1242, SD1; 1390, SD2; 1427, SD1; 2001, SD2; 2003,

SD1; 2005; 2021, SD2; 2040, SD1; 2058, SD1; 2059, SD1; 2061, SD1; 2062, SD1; 2064; 2074, SD2; 2075, SD1; 2093, SD2; 2106, SD1; 2108, SD2; 2109, SD1; 2110, SD2; 2112, SD1; 2114, SD1; 2115, SD1; 2118, SD2; 2131, SD 1; 2132, SD2; 2134, SD1; 2138, SD2; 2144, SD1; 2147, SD1; 2150, SD1; 2151, SD1; 2152, SD1; 2163, SD1; 2164, SD2; 2165, SD1; 2166; 2171, SD1; 2181, SD1; 2186, SD2; 2192, SD2; 2194, SD1; 2200, SD1; 2205, SD1; 2218, SD1; 2219, SD1; 2220, SD1; 2221, SD1; 2224; 2245, SD1; 2247, SD1; 2254, SD1; 2277, SD1; 2278, SD1; 2279, SD1; 2282, SD1; 2283, SD1; 2287, SD1; 2289, SD2; 2292, SD1; 2296; 2299, SD1; 2300, SD2; 2301, SD2; 2303, SD2; 2304, SD1; 2306, SD2; 2307, SD2; 2311, SD1; 2312, SD1; 2316, SD1; 2317, SD2; 2318, SD2; 2320, SD1; 2326, SD1; 2333, SD2; 2342, SD1; 2343, SD1; 2345, SD2; 2348, SD1; 2352, SD2; 2353, SD1; 2369, SD1; 2374, SD1; 2387, SD2; 2405; 2409, SD1; 2411, SD1; 2412, SD1; 2416, SD1; 2419, SD1; 2420, SD2; 2421, SD1; 2426, SD1; 2427, SD1; 2429, SD2; 2430; 2432, SD1; 2433, SD2; 2434, SD2; 2436, SD1; 2437, SD2; 2438; 2441, SD1; 2442, SD2; 2443; 2446, SD2; 2448, SD2; 2456, SD1; 2459, SD2; 2465, SD1; 2466, SD1; 2467, SD2; 2469, SD2; 2470, SD1; 2473, SD2; 2474, SD1; 2475, SD1; 2477, SD1; 2479, SD1; 2480, SD1; 2482, SD1; 2484, SD1; 2486, SD2; 2489, SD2; 2490, SD2; 2493, SD2; 2494, SD2; 2496, SD2; 2499, SD1; 2509, SD2; 2513, SD1; 2521, SD1; 2522, SD1; 2523, SD1; 2527, SD2; 2529, SD1; 2530, SD1; 2533, SD1; 2536, SD1; 2542, SD1; 2544, SD1; 2545; 2549, SD1; 2561, SD2; 2562, SD1; 2563, SD1; 2571, SD1; 2572; 2574, SD1; 2575, SD2; 2576, SD2; 2578, SD1; 2579, SD1; 2584, SD1; 2589, SD1; 2598, SD2; 2605, SD1; 2607, SD1; 2621, SD1; 2634, SD2; 2635; 2637, SD1; 2643, SD1; 2654, SD1; 2655, SD2; 2657, SD2; 2658; 2666, SD1; 2668, SD1; 2672; 2674; 2675, SD1; 2685; 2686, SD1; 2690, SD2; 2691; 2692, SD2; 2706, SD1; 2711, SD1; 2716, SD1; 2717, SD1; 2722, SD1; 2725; 2729, SD1; 2731, SD1; 2736, SD2; 2742; 2745, SD1; 2750, SD1; 2751, SD2; 2758, SD1; 2759, SD1; 2764, SD1; 2766, SD1; 2769; 2779, SD1; 2781, SD2; 2782, SD1; 2783; 2793, SD1; 2802, SD1; 2804; 2805; 2808; 2809, SD1; 2811, SD1; 2814, SD1; 2815, SD1; 2818, SD1; 2819, SD1; 2826, SD1; 2827; 2829, SD1; 2830; 2836, SD1; 2837, SD1; 2838, SD1; 2843; 2847, SD2; 2848; 2856, SD1; 2857, SD1; 2858, SD1; 2859, SD1; 2863, SD1; 2866, SD2; 2867; 2869; 2870, SD1; 2872, SD1; 2873, SD1; 2877, SD1; 2879, SD2; 2880, SD2; 2883, SD2; 2892; 2893, SD1; 2903; 2904; 2905; 2906; 2909, SD1; 2910, SD1; 2911; 2914, SD1; 2915, SD1; 2917, SD2; 2918, SD2; 2924, SD1; 2925; 2930, SD2; 2931, SD1; 2933; 2935, SD1; 2941; 2945, SD1; 2948, SD1; 2953, SD1; 2955; 2961, SD2; 2964; 2971; 2974; 2982, SD1; 2983, SD2; 2986, SD1; 2987, SD1; 2988, SD2; 2990, SD2; 2993, SD2; 2996, SD2; 3002, SD2; 3003, SD1; 3019, SD1; 3023, SD1; 3026, SD1; 3031, SD1; 3032, SD2; 3038, SD1; 3041, SD1; 3043, SD2; 3049; 3051, SD2; 3073, SD2; 3079; 3100; 3102; 3104, SD2; 3117; 3122, SD1; 3123, SD2; 3125, SD2; 3129; 3132, SD2; 3133, SD1; 3141; 3160, SD2; 3176, SD2; 3177, SD1; 3179; 3190, SD1; 3192, SD1; 3193, SD1; 3194, SD2; 3195; 3199, SD1; and 3201, SD1 passed First Reading by title and further action was deferred until later in the calendar. (Representatives Cachola, Goodenow, Herkes, Okamura, Santiago, Souki, Stegmaier and Takumi were excused.)

On motion by Representative Case, seconded by Representative Yonamine and carried, the House disagreed to the amendments made by the Senate to H.B. No. 164, (SD1), and requested a conference on the subject matter of said amendments. (Representatives Cachola, Herkes, Okamura, Santiago, Souki, Stegmaier and Takumi were excused.)

INTRODUCTIONS

At this time, the following introductions were made to the members of the House:

Representative Kahikina introduced the students from Nanaikapono Elementary School and their teacher chaperones:

Ms. Minnie Souza; Mr. Kent Sorawatari; Mr. Charles Yamaguchi; Ms. Tabitha Secreto and Mr. Jordan Patterson.

Representative Takai introduced the students from Aiea Intermediate and their teacher chaperones: Ms. Racoma; Ms. Yamamoto; Ms. Simmons; Mr. Warnock; Ms. Toyama and parent chaperone Ms. Kerr.

Representative Morihara introduced the students of Waihee Elementary School and their teachers, chaperones and parents: Ms. Faith Tokeshi, Vice-Principal; Ms. Maile Viela; Ms. Ann Takamori and Mr. Kalani Tassil.

ORDER OF THE DAY

COMMITTEE REFERRALS

The following Senate Bills were referred to committee by the Speaker, as follows:

<u>S.B.</u> <u>Nos.</u>	<u>Referred to:</u>
13	Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
35	Committee on Water and Land Use, then to the Committee on Finance
278	Committee on Higher Education, then to the Committee on Finance
445	Committee on Energy and Environmental Protection, then to the Committee on Water and Land Use, then to the Committee on Higher Education, then to the Committee on Education, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
539	Committee on Higher Education, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
791	Committee on Consumer Protection and Commerce, then to the Committee on Finance
862	Committee on Health, then to the Committee on Judiciary and Hawai'ian Affairs
1242	Committee on Legislative Management, then to the Committee on Finance
1427	Jointly to the Committee on Agriculture and the Committee on Ocean Recreation and Marine Resources, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
2005	Jointly to the Committee on Tourism and the Committee on Water and Land Use, then to the Committee on Finance
2040	Committee on Health, then to the Committee on Finance
2059	Committee on Human Services and Housing, then to the Committee on Finance
2061	Committee on Labor and Public Employment, then to the Committee on Finance
2062	Committee on Human Services and Housing, then to the Committee on Legislative Management, then to the Committee on Finance
2064	Committee on Health, then to the Committee on Judiciary and Hawai'ian Affairs

- 2075 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
- 2108 Committee on Legislative Management, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Water and Land Use, then to the Committee on Finance
- 2109 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2110 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2112 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2115 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2138 Committee on Education, then to the Committee on Finance
- 2144 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2152 Jointly to the Committee on Public Safety and Military Affairs and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2163 Committee on Health, then to the Committee on Finance
- 2164 Committee on Agriculture, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2165 Committee on Education, then to the Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2166 Jointly to the Committee on Energy and Environmental Protection and the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2186 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2218 Committee on Education, then to the Committee on Legislative Management, then jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2219 Committee on Education, then to the Committee on Finance
- 2224 Committee on Water and Land Use, then to the Committee on Judiciary and Hawai'ian Affairs
- 2245 Committee on Labor and Public Employment, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2247 Committee on Health, then to the Committee on Finance
- 2254 Committee on Health, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawai'ian Affairs
- 2277 Committee on Judiciary and Hawai'ian Affairs
- 2287 Committee on Energy and Environmental Protection, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2292 Committee on Consumer Protection and Commerce
- 2296 Committee on Judiciary and Hawai'ian Affairs
- 2299 Committee on Transportation, then to the Committee on Water and Land Use, then to the Committee on Finance
- 2311 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 2320 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
- 2326 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2333 Committee on Consumer Protection and Commerce
- 2343 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2345 Committee on Energy and Environmental Protection, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2352 Committee on Judiciary and Hawai'ian Affairs
- 2353 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Legislative Management, then to the Committee on Finance
- 2374 Committee on Judiciary and Hawai'ian Affairs
- 2405 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 2409 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2411 Committee on Agriculture, then to the Committee on Finance
- 2419 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2420 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Higher Education, then to the Committee on Finance
- 2426 Jointly to the Committee on Public Safety and Military Affairs and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2427 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2430 Committee on Judiciary and Hawai'ian Affairs
- 2433 Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2434 Jointly to the Committee on Health and the Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2443 Committee on Human Services and Housing, then to the Committee on Judiciary and Hawai'ian Affairs
- 2459 Jointly to the Committee on Health and the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2465 Committee on Education, then to the Committee on Judiciary and Hawai'ian Affairs

- 2466 Committee on Education, then to the Committee on Judiciary and Hawai'ian Affairs
- 2469 Jointly to the Committee on Education and the Committee on Labor and Public Employment, then to the Committee on Finance
- 2474 Committee on Education, then to the Committee on Finance
- 2475 Committee on Education, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2482 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Higher Education, then to the Committee on Finance
- 2484 Jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Human Services and Housing, then to the Committee on Finance
- 2486 Jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2496 Committee on Health, then to the Committee on Finance
- 2513 Committee on Water and Land Use, then to the Committee on Finance
- 2521 Committee on Finance
- 2522 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2523 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2529 Committee on Water and Land Use, then to the Committee on Finance
- 2536 Jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2542 Committee on Finance
- 2545 Committee on Energy and Environmental Protection, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2549 Committee on Energy and Environmental Protection, then to the Committee on Finance
- 2563 Committee on Consumer Protection and Commerce
- 2571 Committee on Education, then to the Committee on Finance
- 2572 Committee on Higher Education, then to the Committee on Finance
- 2574 Committee on Higher Education, then to the Committee on Finance
- 2575 Committee on Higher Education, then to the Committee on Finance
- 2578 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2579 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
- 2584 Committee on Water and Land Use, then to the Committee on Finance
- 2589 Committee on Labor and Public Employment, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2605 Jointly to the Committee on Labor and Public Employment and the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2607 Committee on Labor and Public Employment, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2621 Committee on Health, then to the Committee on Judiciary and Hawai'ian Affairs
- 2635 Committee on Transportation, then on the Committee on Judiciary and Hawai'ian Affairs
- 2654 Committee on Health, then to the Committee on Finance
- 2655 Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2658 Committee on Human Services and Housing, then to the Committee on Finance
- 2672 Committee on Judiciary and Hawai'ian Affairs
- 2674 Jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Labor and Public Employment
- 2685 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2686 Jointly to the Committee on Transportation and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2690 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2691 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2722 Committee on Education, then to the Committee on Finance
- 2725 Committee on Transportation, then to the Committee on Consumer Protection and Commerce
- 2729 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2731 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2742 Committee on Agriculture, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2759 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2764 Committee on Health, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2766 Committee on Water and Land Use, then to the Committee on Consumer Protection and Commerce

- 2769 Committee on Energy and Environmental Protection
- 2779 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2782 Committee on Economic Development and Business Concerns, then to the Committee on Judiciary and Hawai'ian Affairs
- 2783 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Higher Education and the Committee on Labor and Public Employment, then to the Committee on Finance
- 2793 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2802 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2804 Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2805 Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2808 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2809 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2818 Committee on Consumer Protection and Commerce
- 2827 Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2830 Committee on Education
- 2837 Committee on Education, then jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2838 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2843 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2848 Committee on Judiciary and Hawai'ian Affairs
- 2856 Committee on Human Services and Housing, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2857 Committee on Human Services and Housing, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2858 Committee on Finance
- 2859 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2863 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2867 Committee on Energy and Environmental Protection
- 2869 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2870 Committee on Energy and Environmental Protection, then jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2872 Committee on Finance
- 2873 Committee on Health, then to the Committee on Finance
- 2877 Committee on Finance
- 2880 Committee on Energy and Environmental Protection, then to the Committee on Finance
- 2892 Committee on Finance
- 2893 Jointly to the Committee on Labor and Public Employment and the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2903 Committee on Labor and Public Employment
- 2904 Committee on Labor and Public Employment
- 2905 Jointly to the Committee on Labor and Public Employment and the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2906 Committee on Economic Development and Business Concerns, then to the Committee on Consumer Protection and Commerce
- 2910 Committee on Ocean Recreation and Marine Resources, then to the Committee on Finance
- 2911 Committee on Ocean Recreation and Marine Resources, then to the Committee on Finance
- 2914 Committee on Water and Land Use, then to the Committee on Finance
- 2915 Committee on Water and Land Use, then to the Committee on Finance
- 2925 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2933 Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2941 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2945 Committee on Economic Development and Business Concerns, then to the Committee on Consumer Protection and Commerce, then to the the Committee on Finance
- 2948 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Higher Education, then to the Committee on Finance
- 2955 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 2964 Committee on Higher Education, then jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2971 Committee on Energy and Environmental Protection, then to the Committee on Finance
- 2974 Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2986 Committee on Consumer Protection and Commerce

- 3002 Jointly to the Committee on Labor and Public Employment and the Committee on Finance, then to the Committee on Judiciary and Hawai'ian Affairs
- 3003 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 3019 Committee on Health, then to the Committee on Finance
- 3026 Committee on Education, then to the Committee on Finance
- 3049 Committee on Water and Land Use, then to the Committee on Judiciary and Hawai'ian Affairs
- 3073 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 3079 Committee on Education, then to the Committee on Judiciary and Hawai'ian Affairs
- 3100 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 3102 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 3117 Jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawai'ian Affairs
- 3122 Committee on Ocean Recreation and Marine Resources, then to the Committee on Finance
- 3129 Committee on Health, then to the Committee on Consumer Protection and Commerce
- 3132 Committee on Finance
- 3141 Committee on Higher Education, then jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 3176 Committee on Labor and Public Employment, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 3177 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 3179 Committee on Health, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 3193 Committee on Consumer Protection and Commerce, then jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 3195 Committee on Judiciary and Hawai'ian Affairs
- 3199 Committee on Agriculture, then to the Committee on Finance
- 3201 Committee on Transportation, then to the Committee on Finance

Cachola, Herkes, Okamura, Santiago, Souki, Stegmaier and Takumi were excused.)

UNFINISHED BUSINESS

Stand. Com. Rep. No. 869 and H.B. No. 2650, HD 1:

On motion by Representative Case, seconded by Representative Yonamine and carried, the report of the Committee was adopted and H.B. No. 2650, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Third Reading by a vote of 43 ayes to 1 no, with Representative Rath voting no and Representatives Cachola, Herkes, Okamura, Santiago, Souki, Stegmaier and Takumi being excused.

The Chair directed the Clerk to note that H.B. No. 2650, had passed Third Reading at 11:50 o'clock a.m.

THIRD READING

H.B. No. 1900, HD 1:

Representative Takamine moved that H.B. No. 1900, HD 1, pass Third Reading, seconded by Representative Kawakami.

Representative Takamine rose to speak in support of the measure, stating:

"Mr. Speaker, before I get to the specifics of the bill I would like to take this opportunity to make a few public acknowledgments. To you and to House Leadership, as well as to my colleagues on the House Finance Committee, thank you, for the privilege of continuing to serve as Finance Committee Chair. I am amazed and humbled by the fact that one can never truly know enough in this challenging position. I deeply appreciate your patience, your candor, and your continued collaboration. For without all of you, this product called House Bill 1900 would not have been possible.

"Mr. Speaker, the work of the Finance Committee is nothing if not a collective effort. Our ability to make sound decisions on behalf of the people, is greatly dependent on the quality of the data and analysis placed before us each working day. For this, we are all indebted to the dedicated, self-driven and competent group of people who are the House Finance Staff.

"Mr. Speaker, this year I have become even more convinced that this highly professional group of young individuals that you helped to mold, will continue to be a tremendous asset to the House. And it is with great pleasure that I present them to you. I ask them to please stand and if you could all join me in giving them a well earned round of applause. The House Finance Staff.

"Mr. Speaker, I would also like to acknowledge the strong support from the House Majority Research Office, because their help also has been essential. Mr. Speaker, I would be remiss if I did not single out for recognition, the Vice-Chair of the Finance Committee. Representative Bertha Kawakami, her unflagging devotion to this work, serves this Legislature and the people in an exemplary manner. She has been invaluable to the Committee for her insight, her passion for fairness and her strong leadership ability. We could use a dozen more like her in this, Mr. Speaker, and I ask that we acknowledge her for her good work. Representative Kawakami.

"Furthermore, Mr. Speaker, this product would not have been possible without the strong support and collaboration of the Chairs and Vice-Chairs of each Subject Matter Committee. The insightful and welcomed budget recommendations and legislation generated by these Committees enabled your Finance Committee to meet its responsibilities in an efficient and timely manner.

SUSPENSION OF RULES

On motion by Representative Yonamine, seconded by Representative Pendleton and carried, the rules were suspended for the purpose of considering certain bills on Third Reading on the basis of a modified consent calendar. (Representatives

"And now, Mr. Speaker, to House Bill 1900. At its heart, House Bill 1900 aims to reinforce the goals and policies as expressed in Act 91, last year's State Budget Bill, for the 2000-2001 Biennium. As you will recall, Mr. Speaker, Act 91 substantially embodied the House's thematic priorities for the biennium, which include: fiscal responsibility and balance, proper funding of core government services, meeting court ordered and other financial obligations, and stimulating economic growth.

"Mr. Speaker, this year's Supplemental Budget underscores and follows through on the initiatives we all undertook at the beginning of the biennium. Naturally we were encouraged by recent economic opinions that our State economy had turned the corner and entered a period of sustained growth. This indicates to us that past actions by the Legislature have taken root and are beginning to bear fruit. Hopefully these signs will trigger consumer and business optimism, propelling our economic momentum forward.

"Mr. Speaker, economic growth is a wonderful thing. For it can bring new opportunities to our residents and help ease our most pressing fiscal problems. But economic growth of the magnitude Hawai'i requires, is neither assured nor accurately predictable at this time. Therefore, we cannot gamble with the people's money. Prudence dictates that state government spending remain conservative and restrained. We must continue to live within our means. Therefore, it is incumbent upon us as policy makers to adopt the balanced, fiscally responsible financial plan, that is House Bill 1900, HD 1.

"Mr. Speaker, the following are some of the highlights of the plan. The general fund amount we recommend totals just over \$3 billion. The total budget, including all forms of financing is \$6.4 billion. Based on the revised Council on Revenues estimates, these amounts represent increases of 3 percent and 3.4 percent respectively. They are modest, well within the anticipated revenue growth, and below the levels requested by the Administration."

At this time, Representative Oshiro yielded his time to Representative Takamine.

"Well we have come in under the Governor's requested amount, Mr. Speaker. At the heart of this budget is our continued investment in human capital, in our people and consequently in our future. Through the authority vested in the Legislature via the budget process, we are directing State policy towards meeting our core, basic needs first. We are also encouraging personal and institutional responsibility and promoting accountability. What this means, Mr. Speaker, is that we are allocating extensive resources to education, both at the primary and secondary levels. We believe that support of education fulfills multiple goals for our State. First and foremost, it must be said that educating our children is this Committee's highest priority. We have an obligation to our children, and therefore to our future, to provide them with the best tools so they can determine their own futures.

"At the same time investing in our educational institutions and programs, is a critical component of economic development. Time and again, preferred companies and investors have told us that the number one factor they consider, when making investment decisions, is the ready availability of a core workforce that is well educated and highly skilled. Our needs are great in this area, Mr. Speaker. We are recommending nearly \$3 million and 26 new positions for our new schools. We are also approving over \$2.5 million to establish and implement the Hawai'i Content and Performance Standards for the Department of Education. Further, we are supporting the peer education programs that are under the purview of the Department of Education, for we believe they have proven their effectiveness in meeting their mission.

"To address our court ordered obligations with regard to Felix, we are approving \$6.5 million and 137 new positions for specially qualified teachers and other educational specialists. We aim to have 99 positions to reduce the kindergarten through second grade student-teacher ratio to 20:1, as we realize primary grades are where we can make the biggest difference. We also include \$5.2 million to continue the 'every child counts' policy that will also address the issue of class size. In addition, Mr. Speaker, the House Draft has authorized an additional 275 teaching positions, thus providing more one-on-one instruction.

"We are also approving over \$60 million in capital improvements for repair and maintenance, playground equipment, upgrading telecommunications and electrical infrastructure and meeting other long-standing needs. We are also funding an ambitious program to promote accountability in the school system. These new initiatives requested by the Department are an important component of the House's overall plan in education. Students, teachers and administrators are important partners in this process. It is our goal to provide them with the resources and support they require to meet current responsibilities and prepare for future needs. For only then can we truly have a fair, honest and accurate system of accountability in education.

"In regards to the University of Hawai'i System, we agree with the Administration's request to provide an additional \$1 million each to the Medical, Engineering and Business Schools, as well as to the Community Colleges Pacific Center for Advanced Technology Training. In total, Mr. Speaker, we are providing the University with \$6 million in additional operating funds and \$43 million in capital improvement funds for fiscal year 2001.

"Since operational autonomy, the University has made progress towards prioritizing programs and offerings. Hard decisions have been made and will continue to be made. The Legislature must be a supportive partner in that effort. In addition to specific funding for programs that emphasize the development of a quality research and teaching institution, we are also permitting the University to carry-over unspent general funds into the next fiscal year. We believe this provides greater fiscal flexibility, to direct resources into high priority areas and is further evidence of our confidence in, and our commitment to, our University System and the State's goals in higher education."

At this time, Representative Hamakawa yielded his time to Representative Takamine.

"When all is said and done, Mr. Speaker, H.B. 1900 will stand as testament to the Legislature's response to the people's call to education being our number one priority. We have expressed our intent to invest heavily in education, yet it must be understood that H.B. 1900 is a comprehensive document, Mr. Speaker.

"Another core function that government is obligated to provide is basic healthcare. The level of compassion for the truly needy, is often the dividing line that separates the political philosophies. The Finance Committee has provided necessary resources to ensure both residents who are most isolated and vulnerable to reduced healthcare services, are assured that their needs will be met. We are appropriating over \$2.5 million for community non-profit health centers such as Kahuku Hospital, Molokai General, Hana Health Center and the Waianae Coast Comprehensive Health Center. These facilities represent a safety net for rural residents who otherwise would not have direct access to health care. We are also appropriating additional funds to the Hawai'i Health Systems Corporation which provides the health care safety net, particularly for Neighbor Island residents.

"The Supplemental Budget bill also adds funding to provide basic health care protection to those in our community who are

uninsured or underinsured. Mr. Speaker, in addition to appropriating funds to achieve compliance with the Felix Consent Decree, we are appropriating an additional \$4.2 million towards assisting those with developmental disabilities or mental retardations. We are also appropriating \$23 million for community-based mental health services, under the agreement with the U.S. Justice Department regarding the Hawai'i State Hospital.

"Preventive care is obviously the long-term solution to containing health costs for everyone. Thanks to the State's progressive approach in allocating its Tobacco Settlement Funds, we are in a position to do much more. We are increasing the funding dealing with the Department of Health's Healthy Hawai'i Initiatives by nearly \$3 million for health promotion, disease prevention and tobacco control. We want to build on this progressive approach by setting a national precedent that funds received from the tobacco settlement do not supplant state funding of health promotion and disease prevention programs.

"In the area of human services, we find one of our most challenging budget problems. As the federal government has cut back funding of programs to the needy, such as welfare assistance, it is largely been left to the states to address these problems on their own. We must protect those who are unable to work, at the same time we must promote self-reliance, personal responsibility and family stability. Mr. Speaker, the Finance Committee is maintaining the Department of Human Services budget at just over \$1 billion for all means of financing to provide for these objectives.

"As an incentive to low income families to join the mainstream of full contributing members of society, we are establishing a refundable earned income tax credit. This initiative is housed in a separate House Bill, H.B. 1830. The role of government in people's lives must change, Mr. Speaker. Morally, we cannot and will not abandon our duty to provide for those who cannot care for themselves. But for the longer term, we believe it is our duty to encourage and promote self-reliance and independence. When people are given the proper tools and opportunities, we believe they will choose to be free of government handouts. An additional measure to achieve this goal, Mr. Speaker, is passage of legislation to increase the minimum wage.

"We have done much in the past few years to revive our economy and regain momentum. Tourism has been a reliable, if erratic foundation of our revenue base, and that's because tourism is very vulnerable to external factors. We are seeing when the economies of Japan or California falter, it results in an immediate down-turn in our visitor count."

At this time, Representative Nakasone yielded his time to Representative Takamine.

"Improved marketing of the special qualities of our State and our people, can sustain our visitor base and attract tourist from new markets. Therefore we are increasing the funding of the Hawai'i Tourism Authority by \$1 million to \$61 million for marketing and promotional activities. This is possible because upward visitor trends will likely result in increased revenue through the transient accommodations tax.

"Along with our continued support of tourism, we strongly believe in the power and ability of our communities to be full partners with the public and private sectors in strengthening our economy. As an example, community-based organizations that have been supported by the Department of Business, Economic Development and Tourism's Community Based Economic Development Program, have helped to create 650 new businesses and 330 jobs over the past three years. These grassroots economic development organizations have also leveraged every dollar invested by the State with an average of \$8 from other sources to generate meaningful economic

opportunities in economically distressed communities on all Islands.

"When we make strategic investments in entrepreneurial communities that have the capacity to help direct their own economic future, we are investing in the development of an economy of hope that is rooted in community values and vision. To continue our support of community-based initiatives that leverage our limited resources, to stimulate jobs and business development, we are supporting H.B. 2964 and maintaining our support of the State's CBED Program to the amount of \$680,000.

"Mr. Speaker, this approach to economic development is an inclusive approach, one that involves the community and government and the private sector all working towards common goals. As we begin the new millennium, this involvement and common commitment will become a means of harnessing untapped potential and untapped input, where government can facilitate a more integrated approach to greater economic health for our State. And while the role of government changes and responds to the needs of the general public, government operations must similarly respond. Therefore, we are looking at funding that will allow major changes, to make government more responsive to the needs of the public. In this process a premium will be placed on increasing efficiency and productivity so that the highest of public services are provided to the people. Mr. Speaker, we see this as part of our responsibility, and we will carry out this responsibility while treating all of the parties involved in a fair manner.

"Last year the Legislature adopted an omnibus high technology bill that creates one of the most progressive infrastructures in the nation, for high technology development. When we recently featured the high tech industry at the Capitol only a few weeks ago, we were encouraged to take this effort to the next level. Therefore, we are supporting two tax incentive packages in that area aimed at advanced technology and small business development. These initiatives are contained in H.B. 2607 and H.B. 2901. They provide income tax relief for advanced technology research and development related to royalties derived from such activities. Additionally, we are encouraging support of three additional measures focusing on high technology development. These bills seek to consolidate the State's high tech resources more efficiently and coordinate development of the industry.

"Mr. Speaker, we are also supporting our professional services firms who export their talents outside Hawai'i. A \$200,000 investment in the Center for Asia-Pacific Infrastructure Development, is included in this measure. This is to help our architectural, engineering, planning and development companies capitalize on the tremendous amount of business available in the vast Asia-Pacific market. We cannot lose our momentum in economic revitalization and we must remain steadfast in building that momentum. As I have said earlier, our past actions are taking root. There is reason for us to be optimistic about the future and while we cannot risk the State's solvency at this time, there are specific and strategic actions we can take.

"Mr. Speaker, we must seize this opportunity to strengthen the foundation for a solid sustainable economy to benefit future generations. At this time, Mr. Speaker, I would like to mention a few highlights of our capital improvement program."

At this time, Representative Saiki yielded his time to Representative Takamine.

"We are approving the first installment of a three-year commitment to repair and maintain school facilities statewide. For that purpose \$45 million is included in this budget. We are also including \$3.4 million for replacement and repair of school playground equipment. We have included \$5 million for telecommunications and electrical improvements to support technology in the classroom. Our at-risk youth are at a critical

period in their development. Through appropriate learning they can gain the motivation and skills needed to put their lives in order. We believe at \$600,000, investment in a Youth Challenge Program Center at Kalaeloa will prove to be a bargain in the long-term.

"At the University of Hawai'i we have included over \$1 million for a new laser laboratory, plus an additional \$30 million for repair, maintenance, renovations and infrastructure improvements to all University facilities, including the Biomedical Building.

"The economies of the information age are based on knowledge and communication. We believe government efficiency will be greatly enhanced by the \$3 million investment we propose to build a statewide telecommunications network infrastructure that will allow key State departments to share information instantly in a State controlled network.

"In order for workers to produce at peak efficiency, they must be provided with the proper environment. We are including a lump sum of \$5 million for the repair and maintenance of State buildings. In healthcare, we are including a \$38 million bond authorization for improvements at Maui Memorial Hospital.

"Mr. Speaker, as I look now on this Supplemental Budget, I am comfortable that we can live within our means and still meet our basic obligations. Beyond that, I am encouraged by recent economic indicators and I know we are taking the most appropriate, fiscally responsible actions to educate our children, build our economic future and meet our moral obligation to provide basic health and welfare to our citizens. As I said on the floor last session, our greatest hope for building a stronger future, rests with our stakeholders. In other words, it is the individuals and communities themselves who must choose the opportunities for self-determination expressed by this budget and employ these opportunities to pursue their dreams.

"Mr. Speaker, on Opening Day of this 2000 Session you talked about being on a 'Voyage' and you pointed to the set of values that makes us a very unique and indeed, a very special people. These values form the very foundation of this budget bill. The members of your Finance Committee realize that this is an historic session. We realized that we faced a major opportunity to comprehensively review and redefine our priorities as we enter the next millennium. House Bill 1900, HD 1, is the product of that effort and reflects our commitment to our children and our commitment to our future. On this basis, I urge my colleagues to support the measure. Thank you very much, Mr. Speaker."

Representative Kawakami then rose to speak in support of the measure, stating:

"Mr. Speaker, I wish to begin by expressing my sincere gratitude and appreciation to Chairman Takamine for his astute leadership and fairness in crafting our Budget. And to you, Mr. Speaker, and the House Leadership for all your words of wisdom when we needed it. Thank you all Finance Committee Members for your collective support and your generosity, especially when it came to feeding all the hungry troops. I wish to also thank our Finance Staff seated in the gallery, under the leadership of senior staffers, Kevin Kuroda, Nan Kalupahana and Brian Hallett for your dedication and all your diligent work behind the scenes. We are very privileged to have such a valuable and resourceful staff of young women and men to assist us. I think you deserve a second applause, would you please stand.

"Mr. Speaker, since becoming Vice Chair of the Finance Committee, I have grown accustomed to the annual exercise of debating the merits of the Budget Bill. I have always stood in strong support of the measure, in spite of cutbacks over the years, to programs I also deemed worthwhile. It was Malcolm Forbes, the third son of a Scottish immigrant, who became

publisher of Forbes Magazine upon his father's death who once said this so eloquently, 'When things are bad we take comfort in the thought that they could always get worse, and when they are, we find hope in the thought that things are so bad that they have to get better.'

"Mr. Speaker, although we as a body strive to promote economic diversification and prosperity by setting public policy, the truth is that we no longer have the far reaching influence we used to. We are at the doorstep of a new millennium and the rules are changing rapidly. A new economy is emerging and things will get better. Information now moves at the speed of light and new opportunities are presenting themselves everyday. It is indeed a new world and once the new technology rolls over you, if you're not a part of the steam roller, you're going to be a part of the road.

"Because of our prolonged economic downturn, Hawai'i is now ripe for investment opportunities. Wise investors know that profit is made when you buy and not when you sell. Whether it be real estate, existing business or new ventures, Hawai'i can and must grow into this new economy. As policymakers, our pivotal role is to provide future generations with the tools to learn and succeed, whether they become employers, employees or sole proprietors. With limited funding we must concentrate on utilizing existing resources to their fullest potential rather than chasing after new ones. Therein lies the goal of H.B. 1900, HD 1. To balance basic services, mandated obligations and new initiatives.

"Mr. Speaker, your Committee remains conservative in its approach to public spending. We have to because this is the people's budget."

At this time, Representative Kanoho yielded his time to Representative Kawakami.

"Yet, as Mr. Charles Franklin Kettering, inventor of the first electrical ignition system for automobiles, once noted: 'Our interest is in the future because we are going to spend the rest of our lives there.' Education is our highest priority, although our speakers will cover our specific budget figures, I wish to emphasize that your Committee aims to promote performance standards and accountability to focus on student learning. Our students must graduate with a better understanding of this new world. Our teachers must have the resources to bring this new world into the classroom. And the Department of Education must show us where the dollars are being spent in achieving this goal.

"Support for education also means investing in our University system. For in order to attract more high technology business, we need a well prepared workforce, and therefore we need a university and community college system that focuses on innovation, cutting edge research, quality teaching that's ready to serve students for all of the challenges that await them. However, this does not mean that this measure is only about education. Mr. Speaker and colleagues, we are trying to do as much as we can in as many areas as possible. This budget is not all things to all people. Instead this budget is an investment in the future for everyone, even those yet to be born. And with this budget we are now laying the foundation for our Hawai'i in the new millennium.

"In looking to the future, your Committee has not forgotten about the problems of the present. In the areas of health and human services, government must remain the safety net for the needy. Government must also ensure that basic health needs are met throughout the State, especially for our children. And at the same time, we do not create or perpetuate dependency. It was Thomas Carruthers, Jr., a distinguished attorney, Trustee Emeritus and past Chairman of the Southern Federal Tax Institute in Birmingham, Alabama, who once remarked, 'that a teacher is one who makes himself progressively unnecessary.'

"Mr. Speaker, your Committee believes that our social initiatives must reflect that thought. We must make our welfare programs progressively unnecessary by making our recipients progressively self-reliant and able. This budget continues upon this path. Ever mindful that children are the most vulnerable segment of our communities.

"And finally, Mr. Speaker, I wish to state that this measure accurately reflects the role of state government today. Five subject areas: 1) higher education; 2) lower education; 3) our economy; 4) health; and 5) human services, represent the heart and soul of H.B. 1900, HD 1. They also represent our hopes, our goals and our dreams and I am very optimistic about this measure before us and I urge you, my colleagues, to support it. Thank you very much, Mr. Speaker."

Representative Fox then rose to speak in support of the measure with reservations, stating:

"Mr. Speaker, I am proud to be a member of the fine Finance Committee with its excellent Chair and superb staff.

"Mr. Speaker, I have three points that I would like to make.

"The first is that our budget process is stuck in a rut. The second is that the truth about Hawai'i, is like Japan we are doing poorly. Third, we must change.

"Mr. Speaker, our budget process is stuck in a rut. The general fund budget is up again this year at 3.4 percent. The state workforce is going to grow by nearly 500 general fund positions. We already have added 1,000 employees since September of 1996. In that same period private sector employment has declined by 33,250 jobs. We exaggerate the size of our tax cuts. This year it totalled just a \$150 million which works out to about \$10 a month per person in Hawai'i. Hawai'i still has the country's highest state and local taxes. Hawai'i still has the highest percentage of the unionization of its workforce. Hawai'i still believes in big government.

"Mr. Speaker, the truth about Hawai'i is that, like Japan, we are doing poorly. This chart shows that the United States has grown at about 5 percent a year over the 90's, each year. Hawai'i and Japan on the other hand, are down at the bottom of this chart, at about 1 percent over that same period. Now, Dr. Naya, who is responsible for this chart, points out that the U.S. went through major structural reform over the 1970's and the 1980's. As a result of this reform U.S. business is energized and surging in the 90's, producing surpluses at the national and state level for government. Eighty percent of the U.S. population has benefited from living under Republican Governors who have cut taxes to support business and have made government smaller to pay for those tax cuts.

"Hawai'i on the other hand was doing well in the 80's just like Japan. We collapsed in 1990, just like Japan. And there has been no reform since, just like Japan. In Japan, government dominates business. The situation is the same in Hawai'i. And there is another problem we share with Japan. In the special section on Japan's structural problems, published last December, The Economist magazine noted: 'The evolution of Japanese society is sometimes described as change within continuity. Companies and organizations carry on as before, but lay new things on top of old ones.'

"Mr. Speaker, I have never heard a more appropriate description of the State of Hawai'i Government. We deal with technology, we lay on something new, but we keep the High Technology Development Corporation. We create a Tourism Authority, but we keep the Convention Center Authority. Change within continuity. I am afraid we emphasize too much of the continuity and too little the change.

"Mr. Speaker, we must change. We're losing jobs; 100,000 people left Hawai'i in the 1990's for other parts of the country. Those 100,000 people include our friends, our relatives, native

Hawai'ians. Mr. Speaker, one-third of the native Hawaiians now live outside Hawai'i. Every one of them would rather be here if they could be here. Our cost of living is very hard to handle in a low wage economy and it's made worse by a regressive excise tax that hits the poor people the hardest. We have a business unfriendly environment. Government runs the show at the expense of the private sector. We have offered no meaningful tax reductions to signal change. The reductions we have offered are slow. They are back-loaded. As a result we don't get new investment to create our new economy.

"Mr. Speaker, the solutions are simple. First, we should provide a meaningful, front-loaded tax reduction. Help the working class and retirees by eliminating the excise tax on food and on medical services. Second, pay for the tax cuts by reducing the size of government through attrition. Don't fire people but don't leave duly vacated jobs unfilled. And third, Mr. Speaker, once government is smaller we can raise wages for the remaining State workers. This is what happened in the U.S. Government. They reduced their overall payroll in the 90's by 5 percent. And real wages for federal workers went up 18 percent. Contrast that with Hawai'i where we've increased our total payroll over the same period by 23 percent and wages in real terms for State of Hawai'i government employees have not gone up in 10 years.

"Mr. Speaker, we need change. We can do better. Thank you, Mr. Speaker."

Representative Ito then rose to speak in support of the measure, stating:

"Mr. Speaker, before I begin I would like to thank the Chairman of the Finance Committee as well as the Vice-Chairperson and the rest of the members of the Finance Committee for all of their hard work in putting together this responsible budget that places education as its highest priority.

"Having been on the Finance Committee for four years, I especially would like to thank the staff of the Finance Committee for it is due to their tireless efforts that we members have this bill in front of us today.

"Mr. Speaker, under your leadership the House of Representatives has made education of our children the highest priority of this Session. And I am happy to say, Mr. Speaker, that H.B. 1900, HD 1 is a direct proof of this statement.

"Mr. Speaker, this bill would make a direct impact where help is needed most, in the classrooms. I know that overcrowded classrooms have been a problem that has plagued our schools for years. This House Draft will reduce the student-teacher ratio from 21 students to 20 per teacher from kindergarten to grade 2. This would ensure that our children would receive more personal attention and instruction during the first three years of schooling which will in turn give these children a sound foundation of basic skills in which to work on.

"Furthermore, this measure also provides funding for 167 regular education positions and restores 32 more positions due to revised enrollment projections for the purpose of taking a larger step to fulfill the 'every child counts' policy. But this bill doesn't stop here, Mr. Speaker. For this measure also appropriates funds for 114 special education positions and another 137 positions to address the issues which regard to the Felix Consent Decree.

"Mr. Speaker, I would also like to note that this measure addresses an issue that is very important to me: school clerical support. I truly believe that the school clerical support staff are the backbone of all schools. In 1990 the Department of Education conducted a study in which they concluded that our Hawai'i schools are severely understaffed with clerical workers. Mr. Speaker, this measure appropriates funds for 25 clerical typist positions for our schools, which is a good start in the process of addressing the clerical work overload.

"Mr. Speaker, as I said before, I speak in strong support of this bill and I urge the other members to also support this measure that places education at the top of its list. Thank you."

Representative Moses then rose and asked the Clerk to register an aye vote with reservations for him, and asked that his comments be inserted into the Journal, and asked that the remarks of Representative Fox be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Moses' remarks are as follows:

"Additionally, passing a budget for the State government is both the most difficult and the most important task of a Legislature. As a member of the Finance Committee, I am very well aware that the tax cuts that went into effect in 1999 are beginning to help stimulate the economy. This budget 'stays the course' and will slowly help pull Hawai'i out of a ten-year economic slump. I have urged this Legislature on many previous occasions to take more bold steps in cutting taxes and regulations in order to further help the economy.

"This budget does contain many excellent items that will improve the lives of the people of Hawai'i. This budget has a strong focus on education. We are adding 99 positions to DOE to reduce class size in kindergarten, first and second grades from 21 to 20 students per teacher. We are acknowledging that special needs students spend time in general education classrooms and should be counted in computing student teacher ratios in general education classes. We are also spending millions of dollars to provide an appropriate public education for all students, including those with special needs. The budget also continues the funding for phases I and IA of the Kapolei High School, which ensures the 10th grade neighborhood structure is ready for use next year. I must, however, remind my colleagues that DOE and I will be seeking additional funding for Kapolei High School next year to construct buildings for the 11th and 12th graders.

"Also of note, I must point out that I see the Hawai'i State Public Library System as a critical part of our education system. What distinguishes the Library System from DOE is that the Library System supports learning by people of all ages. Over the past several years the Library System has experienced budget and staffing cuts while expanding communities, such as those I represent, clamor for new libraries. There is only a certain amount of money in the budget, and I will continue to support giving first priority to funding our schools. But we must invest in our library system so it can buy new books and computers; hire staff; and build new libraries to serve new or expanding communities. The good done by reducing class sizes throughout the state and by improving our education system could be substantially improved by providing more funds for the Hawai'i State Public Library System. Mr. Speaker, for all of these reasons I vote for this budget with reservations."

Representative Rath then rose to speak in opposition to the measure, and asked that the remarks of Representative Fox be entered into the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Rath continued, stating:

"In listening to the good Representative from Hamakua he was right about a number of things. Among them is that the budget reflects the policy of the State and the direction in which we take. Government is basically about money. Who you take it from, how much you take and what you spend it on. At the core of this policy direction incorporated in the budget, is what we see today. Government should, at the very least, in its first fiduciary responsibility to its citizens, take care of the basics and become good at those before we go out and do excess things.

"We should take care of health, public safety and education. And so I have a list, and I just want to cover where the policies of your side of the aisle have brought us to this point after ten years of recession. We have the worse economy in the United States and the very worse educational system. We have the lowest amount of capital investment and lowest amount of new business starts. But we have the highest amount of personal and business bankruptcies. We have the highest amount of business failures and the failure rate for every one person that goes bankrupt it's said that they just simply close their doors and move on, and of course we've seen that happen here.

"We have the highest amount of foreclosures, both business and personal. And we are the highest taxed citizens in the United States of America. We endure the highest cost of living, although our wages are commensurate with those of the mainland midwest. We have the lowest amount of home ownership per capita and for those people, sadly who are under 30, that part of the American Dream is no longer there. There is almost no chance of young people who are living in Hawai'i to look to the future with the thoughts of owning their own home.

"Mr. Speaker, most people work two jobs and we have the highest amount of hours worked per week per capita, per working person. And of course as a result from that, Mr. Speaker, we have the very most amount of latch key kids. We have the highest amount of government employees of any other state and the highest amount of unionized jobs. We have the highest amount of business regulation and we're the only state left to even regulate transportation. We have the most licensed businesses. The State of Hawai'i, if we are good and our government's good at anything, is looking over the shoulder of every single solitary business person and just regulating them to death and out of business.

"On the social side we have the highest amount of drug and alcohol abuse. Now rich people they go to a doctor and get a prescription for drugs, but poor people they self-medicate. When they feel stress they take alcohol, pot, ice, whatever is available. It is self-medication, which is a result of a bad economic condition. We have the highest amount of spouse and family member abuse. We have the highest amount of teen pregnancies and out of wedlock births and we also have the lowest age of consent for sex. We have the highest amount of attempted suicide rates among teenagers. We have one of the highest property crime rates in the nation as reflected in the highest amount of bank robberies per capita. We have the highest out-migration, people leaving our State, which is commonly referred to as a 'brain drain'.

"Mr. Speaker, most people in Hawai'i very honestly live in quiet desperation. For ten long years we've endured recession, while this Legislature has tried to tax and spend its way out of economic failure. Our government has attempted to kick start the economy so many times, that we've nearly kicked it to death by continued spending. This budget, Mr. Speaker, simply shovels more dirt on the grave of our economy and that's all it does. Indeed we have increased revenue, and we heard about that today. Those are taxes collected from the fire sales of bankruptcies. However, very shortly we're going to have our butts handed to us in arbitration with the public employees unions and you know that's coming down the pike and we can't avoid it. It's like our healthcare system and everything else. We see the projections of these huge costs and we do nothing.

"Mr. Speaker, the very definition of insanity, is to do the same thing over and over again and each time expecting a different result. If we look at the achievements of this House, now halfway through the legislative session, is the passing of a nonsense fireworks bill and we've increased multiple taxes and fees, including taxing water. We stuffed the civil service reform. We killed any attempt to deal seriously with State health benefits. We raised the minimum wage."

Representative Oshiro rose on a point of order, stating:

"I think the measure before us is the budget bill and not the bills that have passed and not been passed this session. I would like it if we stick to the bill before us."

Representative Rath apologized for 'not standing up and raising that same point when the Representative from Hamakua was going on."

The Chair allowed Representative Rath to continue his comments.

Representative Rath continued, stating:

"Mr. Speaker, many of the things we passed such as the minimum wage, kicking people out of low income jobs, we killed campaign finance reform.

At this time, Representative Meyer yielded her time to Representative Rath.

Representative Rath continued, stating:

"But we did do some things. We increased regulation on transportation even though we're the only people that still do that. We allowed warrantless searches of auto repair shops..."

Representative Oshiro rose on a point of order, stating:

"Again, the current speaker on the floor is not sticking to the merits of the bill. The prior speaker who spoke on the budget bill initially, spoke on particular measures within the budget bill. When the current speaker talks about search and seizure that goes way out of the budget area and it is improper debate."

The Chair directed Representative Rath to "confine his remarks to the financial plan and the budget being presented here today," and allowed Representative Rath to make reference to bills in relation to the budget.

Representative Rath continued, stating:

"I'll try to summarize it then. Mr. Speaker, we are collecting too much tax money from our people and our people are very poor and getting poorer. We're driving our economy farther and farther down. We're taking the hope and vision and robbing our own citizens of the 'American Dream.' And we stand here in the Legislature and we pat ourselves on the back for spending tax money. It's not our money, Mr. Speaker, it's their money and believe it or not they work very, very hard for every single dollar. We are cutting off the ability with increasing government spending for things like regulation, looking over the shoulder of business people, we are closing the door to entrepreneurial activity. We are telling our young people, 'No don't try.' We are telling them if you want to do good you have to move to the mainland.

"This is a 'go away' budget. This is telling our people, our youngest people, our brightest, the hope for our future, to leave Hawai'i. We don't give them the educational ability to compete there, because we have the worst educational system in the United States. I submit that considering the things that we have done in this Legislature, and I did remark on some of the bills. Mr. Speaker, this budget may be the crowning achievement of this package of legislation that is going out and this is where we get the term the 'People's Republic of Hawai'i.' The business magazines refer to us as the 'People's Republic'. I submit that this budget, Mr. Speaker, is reckless and irresponsible. This is not a budget, it's a shopping spree. Thank you, Mr. Speaker."

Representative Schatz then rose to speak in support of the measure, stating:

"First lets get some hard facts on the table. We as a state government don't have a choice about whether or not to appropriate monies for Federal Court mandates from adult

mental health to the Felix Consent Decree. We also can't do anything about the cost of this year's debt service and the Public Employees Health Fund. These costs, over which we have little or no control, total \$117 million. Now, the total increase in general fund expenditures this year is \$104 million. This means discretionary general fund spending has actually decreased by about \$13 million. Given the tight times how did we meet the needs of our struggling education system and focus the monies where the public wants us to. We have budgeted \$2.5 million to reduce the student-teacher ratio in kindergarten through second grade. We put \$2.7 million for Hawai'i's Content and Performance Standards. To raise and clarify expectations in the classrooms we again put monies in to make 'every child counts' in the classroom.

"For the University of Hawai'i, we put in \$1 million each for the University of Hawai'i's Medical, Business and Engineering Schools and the Community Colleges Pacific Center for Advanced Technology Training and restored the previous 1 percent cut.

"Mr. Speaker, my father always told me to speak my mind and my mother sometimes wanted me to stop talking. But both of my parents always reminded me to be consistent. An injection of consistency is what this floor discussion sorely needs. We all have priorities and we bring them to this Legislature. I personally think we should be spending more money on teachers and the Department of Education and in the University, and less in other departments. But many of those who will criticize the Finance Committee for its work this year, are the same who will continually plead for their projects and their priorities. From subsidizing the pet quarantine program to smoothing roads in their districts. We've all heard the cries from either side of the mouth. 'We are spending too much' and 'Please spend in my backyard'. This year there were over \$280 million in requests from the Minority House members, mostly out of the general fund. If we were to grant these requests, we would have to eliminate the entire University of Hawai'i. If we don't want to do that, try eliminating these departments: Hawai'ian Home Lands, the Attorney General, Defense, Business and Economic Development, Land and Natural Resources, and Agriculture. We still don't make up for the shortfall created. Some of the same people who will cry out for lower spending have almost a third of a billion dollars worth of ideas about how to spend taxpayer's money.

"Mr. Speaker, I stopped taking mathematics after the eleventh grade, but I'm pretty sure this doesn't add up. In the last four years we have cut taxes to the tune of approximately \$2 billion over a seven year period. Hawai'i residents will likely notice a more favorable tax return this year. In order to preserve these cuts, our House of Representatives had made tough and responsible choices regarding budget priorities. This has been a painful process but it has rendered a budget that is fair, forward thinking and responsible. Thank you, Mr. Speaker."

Representative Arakaki then rose to speak in support of the measure, stating:

"I would also like to add my thanks to the Finance Committee Chair, Vice-Chair, members and staff and I especially want to applaud the Chair's efforts to not only hear the many bills that were passed down to him from primary committees, but also for being willing to listen to the concerns, priorities and recommendations of committee chairs and vice-chairs. Mr. Speaker, to quote from your speech last year, 'Hubert Humphrey once said that the "moral test of government is how government treats those who are in the dawn of life, our children, those who are in the twilight of life, the elderly, and those who are in the shadows of life, the sick, the needy and the disabled.'"

"My brother behind me always reminds us as in Proverbs 31: 'That we are to speak up for those who cannot speak for themselves, to judge righteously and plead the calls of the poor

and needy.' Finally the preamble of our State Constitution reads: 'We reaffirm our belief in a government of the people, by the people and for the people, and with an understanding and compassionate heart toward all the peoples...' So we're provided with the moral standards that we should use as a measuring stick for government and likewise for this budget bill as well.

"I will submit, Mr. Speaker, that as your Human Services and Housing Chair, and I think I can also speak for the Health Chair, who I think right now is probably caught between a rock and a hard place, that this budget speaks very loudly towards the needs of people. Especially when you consider the budget restrictions that are necessitated by Hawai'i's economic doldrums and reduction in revenues. We must be careful not to mortgage our children's future and place the needy, disabled and the elderly as sacrificial lambs at the altar of economic recovery and economic gain for special interest.

"Mr. Speaker, tomorrow your 'Kalihi gang' of Representatives and Senators will be hosting our student leaders from Kalihi schools. I can vividly remember young man, a sixth grader from twelve years ago, who when asked if there were any questions, asked, 'So what are you doing for my future?' My initial reaction to the question was, 'What a smart aleck kid.' But it is a question that has been a part of my conscience ever since. And I still submit that we can never go wrong colleagues, if we ask ourselves and ask our budget and our legislation: So what does it do for the future of our children and youth? It is very important, Mr. Speaker and colleagues, that we demonstrate a commitment to our children and youth and make investments in their future.

"In reviewing the budget we find that it provides an additional \$21 million to our means of financing lower education and an additional \$6 million in general funds for higher education. It provides \$2 million to provide child and adolescent mental health services and an additional \$4.2 million to reduce the waitlist for home and community-based waiver services for persons with developmental disabilities. It provides an additional \$3.2 million for out-of-home child placement cost, including foster care and adoption. And finally, it maintains funding for the Temporary Assistance to Needy Families and the Temporary Assistance to Other Needy Families programs at \$122 million to provide basic needs for our needy families.

"However, we all must be made aware that programs which emphasize prevention and early intervention, are usually the first to be restricted or eliminated. Such as, peer education projects, the dental hygiene program and Healthy Start. A recent budget analysis by Hawai'i Kids Count, showed that almost \$1.8 billion is spent on Hawai'i's children, youth and families annually. Of that 45.1 percent is spent on development, education and community programs; 49.7 percent is spent on treatment, rehabilitation and incarceration; and only 5.4 percent is spent on prevention. In other words, we're not investing wisely in the future, and more than likely choosing to react to crisis or being forced to expend funds for treatment. And I think there is no better example than the Felix Consent Decree."

At this time, Representative Luke yielded her time to Representative Arakaki.

"And for anyone who cannot see the value of these investments in our children, let me give you a better picture by reading you this quote: 'A hundred years from now it will not matter what size my bank was, the sort of house I lived in or the kind of car that I drove. But the world may be different because I was important to the life of a child.' So as we stand at the dawn of new century and a new millennium, it is time to acknowledge our myopia and look for a greater vision that benefits our children and grandchildren. Thank you, Mr. Speaker."

Representative Halford then rose to speak in opposition to the measure, stating:

"Before beginning, I'd like to compliment the hard working staff of the Finance Committee who consistently does an excellent job assembling our complex budget.

"Mr. Speaker, the Executive Budget, our operating budget is the single most important and comprehensive bill passed by the Legislature. It is the premier bill, not just because it affects all aspects of government activity, nor just because it directs virtually all of our public money, it is the mechanism we have to implement our government's hopes, dreams, philosophy, direction and any vision that we might have. This budget is composed of all of the public money that we take in various ways and spends it to implement our goals. After all of the rhetoric, public or private, regarding our intentions, this document is our action plan, this document is where the rubber meets the road.

"Mr. Speaker, some hope that the economy might be the centerpiece of the session. Perhaps the Governor hoped that civil service reform might be the centerpiece. Yesterday's headlines in both dailies identified medical use of marijuana as the centerpiece. I submit that as a practical matter the budget is always the centerpiece as it is the expression of how we take the peoples money and how we spend their money to increase or diminish all aspects of our society.

"Mr. Speaker, let's look at the funding side of this budget. Hawai'i takes in more public money per capita than any other state in the nation. While the states each have various mixes of taxation between their state and local governments, we can compare 'apples to apples' if we add state and local taxes together. Combined Hawai'i takes in more public money per capita than any other state. Additionally, Hawai'i takes in the highest percent of personal income tax in the nation. State and local taxes combined. This relationship to personal income is particularly in Hawai'i. As we went from sixth in 1995 to first in 1998-99. If you recall, Mr. Speaker, we raised taxes in 1995. That year we removed around \$80 million in tax credits to offset the regressivity of the general excise tax along with maintaining a 6 percent tax on nursing home beds and raising fees of all kinds. The tax credits removed since 1995 currently supplement our budget by about \$90 million a year and represents about half of the incredible spending increase proposed in this Supplemental Budget. The general excise tax is our largest single source of income. The social weakness of this tax is that it is regressive. And it also taxes food and medical services. In 1995, we returned 8 percent of the general excise tax to offset these problems. Today, we return less than 1 percent. This growing budget, Mr. Speaker, is supported disproportionately on the backs of the most fragile members of our community. And it is squeezing the life blood out of our economy. Perhaps Hubert Humphrey might have some comment about this tax policy.

"In 1998, we prospectively passed income tax reductions that have yet to materialize. While this government publicly wrings its hands over a cumulative, prospective and protracted \$2 billion loss in revenue, no mention is made of the retroactive tax increases that have allowed us to pass increased budgets and tax increases that have made us number one in taking money from our people."

At this time, Representative Whalen yielded his time to Representative Halford.

"Mr. Speaker, regarding the spending side of this budget, is anyone surprised that this State spends more per capita than any other state in the nation. State and local spending combined.

"Last year was passed a biennium budget that was increased by 4 percent. It is questionable whether that budget is balanced since it committed under-funded obligations to the retirement system. The budget before us today is an additional 3 percent

increase to this biennium budget. The growth in our state budget is outpacing inflation, personal income, gross state product or any other significant economic measure that might be proposed.

"Mr. Speaker, we do not measure the value of our spending. I can easily claim that overall we do not get fifty cents of value on each dollar of our spending. This is indisputable because we lack measures. Any private business will fail if it doesn't measure. We require our private non-profits to measure. Maui County measures, but we don't. Our budget process does not ask for measures. Which is major reason that we do not get acceptable value for our dollars spent.

"Mr. Speaker, this budget is simply a continuation of our State's longstanding commitment to hurtful taxation and lack of spending controls. This budget has no courage or uplifting vision. This budget not only damages our economy, it damages our people and our spirit.

"Mr. Speaker, these are some of the reasons I am voting no on this budget."

Representative Takai then rose to speak in support of the measure, stating:

"As your Chair of the Committee on the Culture and the Arts, the past 8 years in particular have been long and bumpy and I am pleased today to first of all thank the Committee on Finance and especially the Chair of Finance, Representative Takamine for holding firm in our support for the performing and visual arts as well as the Waikiki Aquarium. We will not see a decrease in these areas and I am very thankful for that.

"I would also like to mention that in Culture and the Arts one of the things we did last year, that has not been forgotten, is that we privatized Hawai'i Public Television. They have moved into a non-profit status and as a result of that we gave back to the general fund nearly \$900,000. So we are moving forward with this financial plan and especially with this budget.

"I would also like to mention a few things regarding education. I believe this budget does have courage and indeed it has vision. The education budget is \$1.135 billion, that's with a 'b', a billion dollars. The University of Hawai'i's budget is \$395 million. Add those two totals you get \$1.530 billion, with a 'b'. So what does that mean? Well our total executive budget, general fund budget, is \$3.24 billion dollars. That represents 47 percent of our entire general fund budget. I think we really need to take a look at that, because if our priority is education, then we need to 'put our money where our mouth is' and I believe we are doing that with our budget and with this particular bill.

"So let's go back to our communities and tell them the priority for this House is education. Both higher and lower education. And let us tell them specifically that 47 percent of the entire general fund budget is going to this area. And let us not forget the fact that in the next seven years we will see a tax reduction of over \$2 billion. By the way, Mr. Speaker, it started this year. It's continuing as a matter of fact from 1998-99 and 2000. We will see a decrease in the general fund budget or support it to the tune of \$200 million. After seven years we will see an additional \$1.8 billion.

"So I want to urge my colleagues both on this side and that side to support this budget. I believe this budget does have courage and vision. I would especially like to thank the Committee on Finance for their undying support for education. Thank you, Mr. Speaker."

Representative Pendleton then rose to speak in support of the measure with reservations, stating:

"First, Mr. Speaker, I would like to address the issue that was raised on a comparison by the gentleman from Makiki. The

comparison is a false comparison because it brings together 'apples and oranges'. The budget we have before us and CIP requests, which through the ordinary course and procedures that have been established through practice and precedent that we follow.

"Mr. Speaker, let me share a little bit about the way I gather CIP recommendations. At the beginning of the session we let our principals know what is going to be happening. We let our neighborhood know and we solicit their input. We don't unilaterally decide whether it's an important cause or if it is not worthy of introduction or refuse a principal to bring the roof problem or flooding problems forward. We bring everything to the table, whatever it may be, dollar figures, products they give us and that's how we determine introduction or how I determine measures for introduction.

"Perhaps the gentleman from Makiki unilaterally decides what is worthy and what is not. But I believe and this Caucus believes, at least the Minority Caucus believes, that those kinds of decisions are best made within the context of an overall discussion. Comparing various priorities between the various schools. Perhaps flooding is a great concern in one particular district. That needs to be addressed and may be more important than air conditioning in another school. We can't make those decisions if we want to act responsibly and appropriately. We can't make those decisions in the unilateral fashion, Mr. Speaker. We bring these projects forward to be discussed in an appropriate setting which is this body and we discuss it here.

"I would also like to mention that this Caucus consistently and very publicly points out between \$100 and \$150 million worth of budgetary reductions. These are not reductions where we look at core services and try and knock those out and destroy entire departments. No, we look for waste, we look for duplication and we look for places in which we can operate more efficiently. Providing the same quality of service and the amount of services for less.

"Mr. Speaker, this particular budget and at least the interpretation from the gentleman from Makiki, is that when you look at fixed costs, they add up to a certain amount. Therefore, we have to add that to the budget. That's my understanding of his argument. But then that assumes, Mr. Speaker, that there is no inefficiency. There is no way in which we can improve the way we're using the current dollars. It also makes another assumption Mr. Speaker, that there is absolutely no waste. There's no place where we can cut. I believe that in any budget, especially of this magnitude, there are always places where we can find cuts that are reasonable that don't impact core services, that does not adversely impact families, that won't harm the poor. We can do it all.

"The federal government has found ways in which to become streamlined and to do the same with a smaller workforce. The federal government is no smarter than state legislators. Members of Congress don't all of a sudden receive visions from God. If they are able to reduce the workforce and still provide the same level of federal services, the State can do the same, Mr. Speaker. So I reject the notion that there is no waste to be found. I reject the notion that there is no way in which we can make this more efficient. I reject the notion that the only place to cut is the core services. You know there are ways in which you can consistently and responsibly cut between \$100 and \$150 million. Those lists have been made public from the beginning. They are a part of our package and they are a part of the brochures we hand out. Everyone is aware.

"We have also spoke about attrition and why is attrition relevant to the budget? What does attrition have to do? Attrition simply means, over a period of time, a certain number of people voluntarily leave state service. All you have to do is look to see if that position is core or not. Are we able to double up? Can we provide that service without replacing that particular slot? Mr. Speaker, with the amount of voluntary leaving, by various workers, either to retire, move on, to go into

the private sector, to move out of state or whatever, we can look at positions and streamline. We could streamline our workforce and still provide core services. So for those reasons, Mr. Speaker, I think it's inappropriate to suggest that this budget bill is perfect. It is work in progress. I am going to support it at this time. I stated my reservations and I think we can do better.

"We may never reach the perfect budget bill, but we can certainly do a lot better than just assuming that all of our fixed costs have to all be covered and there's absolutely no places in which we can cut. We've shown why we bring forth the CIP that we do. We've shown that we suggest responsible places to cut and again when it comes to CIP we have to bring those things forward. It's inappropriate and wrong for a legislator to unilaterally say, 'No Principal so and so. You are going to have to live with the flooding.' It will probably be a lot more expensive not to bring that forward and address it in that fashion. So for those reasons, Mr. Speaker, I rise in support with reservations."

Representative Souki then rose to speak in support of the measure with reservations, stating:

"First of all I would like to thank the Chairman, Vice Chairperson and the members for doing such a wonderful job, and of course the staff.

"Being there in the past, I know how difficult of a job it is. I have seen how much the Chairman has grown in just one year. Maybe a little physically too in that respect. I wish to advise the Chairman and all the members that have gotten up to speak, to remember Speaker Tip O'Neill when he said: 'There's really not much substance to a speech after you speak for five minutes.' And brevity is a virtue. Now that I have said this I must keep it in mind as I speak.

"Some of the concerns that I have -- which are relatively minor ones, but quite important in the context of the debt that we have -- is the use of G.O. bonds for the repair and maintenance, and the playground equipment costs. You provided \$45 million for repair and maintenance, I know it is at the recommendation of SEFLOR. If you look at it after 20 years, you look at a cost of \$45 million up to \$90-\$100 million plus. That is how much we would have to pay for the repair and maintenance. As you go along with the Senate and during conference, if you can find the money and if you can possibly lessen that a little, then the debt will be lessened too.

"I will give you an example. Some years ago we provided G.O. bonds for the Hawai'ian Homes in the amount of \$600 million. If you recall the House passed legislation to increase the tax by 1 percent and provided \$250 million in one year to get that resolved. However that \$600 million after twenty years will amount to \$1.8 billion and this is how the debt works. What you are doing is making future generations pay for this. This is the kind of concern I have as you look into determining the payment as cash or G.O. bonds.

"Other than that you have a great budget, Mr. Chairman, especially for the Neighbor Islanders. And to the health care, thank you for taking care of Maui and their hospital. That's the only hospital that we have and it is very important that this hospital be maintained.

"In relation to those across the aisle, I'm quite amused to hear them speaking about having the taxes on a prospective basis and having it done immediately and not over a period of seven years. Members and my good friends across the aisle, a few years ago we had a measure called the ERTF and it proposed to do it in a much shorter time; pyramiding in one year, and the personal income tax in three years with a larger deduction. Every member across the aisle stated that we needed to do it prospectively. I remember the Minority Leader getting up and saying 'Let's cut over a number of years.' So now they have a different approach and they're asking, 'Why do we want to do it over a number of years? It should be done

immediately.' Well members if you want to do that I have just the plan to have this revived again. Mr. Speaker, thank you very much."

Representative Morihara rose to speak in support of the measure, stating:

"Through the years the University has struggled along with the State. But what that tells you is that the University and the State are closely entwined. They are entities together for the benefit of the people of Hawai'i.

"This bill provides strong support for the University of Hawai'i. It does so in a measured way. It does so in a directed way. It helps the things that will help the State of Hawai'i.

"One of the things that we looked at when we went up to Silicon Valley, was how the high tech industry got started. It was an industry that was based on intellectual property. Strong schools like Stanford and UC Berkeley were some of the things that drove the economy there. The property that was created by one's own mind. The investments that we put into the University Medical School, Engineering School and the Business School are key investments. For instance, the Business School, 80 percent of the business school students want to take classes in e-commerce and entrepreneurship. This bill allows that to happen. The Medical School and the discoveries and inventions, and particularly in the engineering and technology. These are key investments that look toward the future.

"Years ago we had a vision that tourism could help an agrarian community develop more opportunity for itself. It would help diversify the economy and would offer jobs and opportunities. I think we are right at that point here. We have a vision.

"Thank you to the hard work of the Finance Committee and my colleagues that have supported the efforts of the University. That vision now is that the new economy based on intellectual property and human resources has an opportunity here to start to develop a diversified economy to strengthen the overall base of Hawai'i. Because of what we have learned about the new economy and that it is driven by the new capital, we have made investments in this budget bill. Not only in Manoa and those high profile programs, but in our Community Colleges and lower education system.

"In Hilo and West Oahu we have also made those changes to drive the new economy and the future of Hawai'i. We have learned and recognized that our greatest natural asset in Hawai'i is the people of Hawai'i. We have a talented core of people such as our youth and the people are a part of our system now that are unparalleled to any other place in the world. These are raw natural resources that we will use our educational system for to develop and strengthen and make us a magnet for industry. We can do that here. I believe that the University and our school system, through the efforts of all the Chairs and the priority setting of this Legislature has set itself on a course that will make Hawai'i a place that will be known in the international community for its vision, technology and the talent of its people. Thank you."

Representative Marumoto then rose and asked the Clerk to register an aye vote with reservations for her, and the Chair "so ordered."

"The Minority Members have been attacked this morning. I feel compelled to defend the Minority. If you would please allow me to defend your loyal Minority.

"The former Speaker referred to the ERTF and the former Minority Leader. He also went on to say that we opposed certain aspects of the tax bills and I would just like to set the record straight. The former Minority Leader, Quentin Kawanakoa, strongly favored immediate relief and income

tax cuts in the general excise tax on intermediary services. He opposed only the increase in the general excise tax to 5.35 percent. Let's make that very clear. The entire Republican Minority opposed the increase in the excise tax and we supported many other features in the Economic Revitalization Task Force recommendations. The Representative from Makiki, in essence, mentioned that he felt that the Minority spoke out of both sides of their mouths in requesting certain CIP requests for their districts. The Minority Floor Leader did a very good job in explaining our ways put forth needed improvements to our districts and these requests are from our constituents. I challenge the Representative from Makiki to come with a total of the Majority requests that are made in CIP and other appropriation measures. Further, I think he should also come up with a figure of what percent of the Majority requests are granted. Also the percentage of the Minority requests that are granted. I think you would certainly find out that the Majority may be spending a little bit more money.

Representative Saiki then rose on a point of order, stating:

"I don't believe the Majority Caucus has called for tax cuts and reductions to the extent that the Minority Caucus has demanded them."

Representative Marumoto continued, stating:

"The Republican members of the Finance Committee take our responsibilities very seriously. We enjoy dealing with the issues that come before the Finance Committee. We enjoy working with our colleagues in the Majority in discussing the issues. We appreciate the hard work of the staff. They're eager to please and we thank them for all their efforts. We support much of this budget and it is a result of our collective efforts. But we do have some questions.

"We obtained some information at the Finance Committee budget briefing, but we find that there have been many additions. For instance, we had expected an increase of 302 general fund positions. Yet we read in the Honolulu Advertiser this morning that the general fund positions now total 475. The number of positions paid for by all means of financing was not available to the reporter last night. I think we should know that number before we vote on the House budget. Undoubtedly many of these positions are conversions of temporary positions to permanent ones. So therefore can be justified. If we knew more about them I am sure we would support many of these new positions or conversions. But I don't know where they are. At the Finance briefing we were also told that the total budget increase would be \$52 million. But now we learned that the increase is a \$190 million. Where does that increase occur? In what department, in what programs and on which island?"

Representative Souki then rose on a point of order, stating:

"I believe the Minority Leader should be addressing you and not the camera or the members here. Thank you very much."

Representative Marumoto continued, stating:

"Mr. Speaker, you are so handsome that I would be happy to address my remarks to you. There are many good things in the budget, but we do not have sufficient information. So at this time I will give this bill qualified support. What is important is that the budget is an attempt to serve our citizens and to improve their lives. So we must strive to do this in the most cost effective manner possible. This is an ongoing process and we are far from our goals. I believe we have far to go before we sleep. Thank you."

Representative Garcia then rose to speak in support of the measure, stating:

"I also would like to thank the Chairman of the Finance Committee and the members for their good work and due diligence in respect to this proposal.

"I would like to make a couple of points. The last couple of years I've had to stand in support of the budget proposals, because I know that the Committee has done what it could to finance the proposals as put forth by the Department of Health. As your Chairman of the Public Safety and Military Affairs Committee these proposals have been overseen, most especially the prison system. They've had to do that under duress because they've had to take care of a couple of things that I felt were not exactly the more prouder moments in the history of the Public Safety Department, in respect to prison overtime with the guards.

"We also had to deal with the matters that were forced upon us because of the Federal Consent Decree that once ruled over a couple of our institutions and I am glad that we are out from under that now. I'm glad to see that this budget helps to support lower education and the University of Hawai'i and not that other facility that some of us refer to as the 'University of Halawa."

"But I think this budget is especially, Mr. Speaker, important because of what it doesn't say. What is not in the budget is a request that the Governor had made to the Legislature, be it due diligence or a show of support, for that proposal he is not pursuing anymore. That is the proposal to build a prison on the mainland.

"As you recall, Mr. Speaker, he asked us to support a \$6.5 million request to support the facility in Oklahoma. The wisdom of the Finance Committee Chair and the members did not fund that request, and I applaud them for that. That implicitly states that we will deal with that facility in our own backyard. So I want to thank the members of the Finance Committee for that and for what they have done to cover the agencies that I help to oversee, Public Safety and the Department of Defense, and I will continue to support the budget and this work in progress throughout the session. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 1900, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Third Reading by a vote of 45 ayes to 2 noes, with Representatives Rath and Whalen voting no and Representatives Cachola, Okamura, Santiago and Menor being excused.

The Chair directed the Clerk to note that H.B. No. 1900, had passed Third Reading at 1:20 o'clock p.m.

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 47 through 53) and concurrent resolutions (H.C.R. Nos. 42 through 52) were referred to Printing and further action was deferred:

H.R. No. 47, entitled: "HOUSE RESOLUTION DEVELOPING A STATE WEB SITE ENTITLED 'FOR THE SAKE OF THE CHILDREN' FOR PUBLIC ACCESS INFORMATION PURPOSES," was jointly offered by Representatives Arakaki, Abinsay, Case, Fox, Hiraki, Ito, Marumoto, Morihara, Santiago, Stegmaier and Takumi.

H.R. No. 48, entitled: "HOUSE RESOLUTION REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO STUDY THE ADVISABILITY OF REQUIRING ALL LICENSED GUARD AGENCIES, LICENSED GUARDS, AND UNLICENSED AGENTS, OPERATIVES, AND ASSISTANTS OF LICENSED GUARD AGENCIES TO COMPLETE A STANDARDIZED TRAINING PROGRAM IN PRIVATE SECURITY," was jointly offered by Representatives Morihara, Cachola, Garcia, Halford, Hamakawa, Hiraki, Kaho'ohalahala, Lee, Morita, Nakasone, Saiki and Souki.

H.R. No. 49, entitled: "HOUSE RESOLUTION SUPPORTING THE EFFORTS OF THE UNITED STATES GOVERNMENT TO FREE THE WOMEN OF AFGHANISTAN FROM THE OPPRESSION OF THE TALIBAN REGIME," was jointly offered by Representatives Lee, Morita, Luke, Yoshinaga, Catalani, Kawakami, Ahu Isa, Marumoto, Meyer, Stegmaier, Thielen, Saiki, Leong, Takai, Auwae, Kaho'ohalahala, Moses, Schatz, Menor, Oshiro, Kahikina, Arakaki, Case, Espero, Halford, Ito, Souki, Whalen and Yamane.

H.R. No. 50, entitled: "HOUSE RESOLUTION SUPPORTING THE EFFORTS OF THE WORLD HEALTH ORGANIZATION AND WARIS DIRIE TO END THE HARMFUL TRADITION OF FEMALE GENITAL MUTILATION," was jointly offered by Representatives Morita, Lee, Catalani, Ahu Isa, Kawakami, Yoshinaga, Luke, Auwae, Leong, Marumoto, Meyer and Thielen.

H.R. No. 51, entitled: "HOUSE RESOLUTION CALLING FOR THE REPORTING OF ALL ONGOING AND PLANNED WORK WITH GENETIC ENGINEERING IN THE STATE OF HAWAII," was offered by Representative Morita, by request.

H.R. No. 52, entitled: "HOUSE RESOLUTION REQUESTING THE MEMBERS OF HAWAII'S CONGRESSIONAL DELEGATION TO SEEK THE AMENDMENT OF FEDERAL CAPITAL PUNISHMENT LAWS TO EXEMPT HAWAII AND THE OTHER STATES THAT HAVE ABOLISHED THE DEATH PENALTY FROM THE COVERAGE OF THOSE LAWS," was jointly offered by Representatives Santiago, Arakaki, Kawakami, Yamane, Kahikina, Leong and McDermott.

H.R. No. 53, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE, WITH THE ASSISTANCE OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, AND THE DEPARTMENT OF TAXATION, TO REPORT TO THE LEGISLATURE IN SPECIFIC AND DETAILED MANNER THE EFFECT, IF ANY, OF THE INCOME TAX CUTS ADOPTED IN ACT 157 OF THE NINETEENTH LEGISLATURE, REGULAR SESSION OF 1998, HAS HAD ON THE ECONOMY," was jointly offered by Representatives Santiago, Arakaki, Yamane, Kawakami, Kahikina, Lee, McDermott, Leong and Stegmaier.

H.C.R. No. 42, entitled: "HOUSE CONCURRENT RESOLUTION DEVELOPING A STATE WEB SITE ENTITLED 'FOR THE SAKE OF THE CHILDREN' FOR PUBLIC ACCESS INFORMATION PURPOSES," was jointly offered by Representatives Arakaki, Abinsay, Case, Fox, Hiraki, Ito, Marumoto, Morihara, Santiago, Stegmaier and Takumi.

H.C.R. No. 43, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT AN AUDIT OF THE GUARDIANS AD LITEM FEES," was jointly offered by Representatives Arakaki, Stegmaier, Kawakami, McDermott and Santiago.

H.C.R. No. 44, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE HAWAII NURSES' ASSOCIATION AND THE HEALTHCARE ASSOCIATION OF HAWAII TO BEGIN DISCUSSIONS TO IDENTIFY PROBLEMS AND PROVIDE SOLUTIONS FOR ACUTE-CARE ISSUES RELATING TO PATIENT SAFETY, NURSING CARE, AND THE POTENTIAL NURSING SHORTAGE," was jointly offered by Representatives Arakaki, Stegmaier, Kawakami, McDermott and Santiago.

H.C.R. No. 45, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE LEGISLATIVE

REFERENCE BUREAU TO STUDY THE ADVISABILITY OF REQUIRING ALL LICENSED GUARD AGENCIES, LICENSED GUARDS, AND UNLICENSED AGENTS, OPERATIVES, AND ASSISTANTS OF LICENSED GUARD AGENCIES TO COMPLETE A STANDARDIZED TRAINING PROGRAM IN PRIVATE SECURITY," was jointly offered by Representatives Morihara, Cachola, Garcia, Halford, Hamakawa, Hiraki, Kaho'ohalahala, Lee, Morita, Nakasone, Saiki and Souki.

H.C.R. No. 46, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE EFFORTS OF THE UNITED STATES GOVERNMENT TO FREE THE WOMEN OF AFGHANISTAN FROM THE OPPRESSION OF THE TALIBAN REGIME," was jointly offered by Representatives Lee, Morita, Luke, Yoshinaga, Catalani, Kawakami, Ahu Isa, Meyer, Stegmaier, Thielen, Saiki, Auwae, Kaho'ohalahala, Moses, Menor, Schatz, Oshiro, Kahikina, Arakaki, Case, Halford, Ito, Souki, Whalen and Yamane.

H.C.R. No. 47, entitled: "HOUSE CONCURRENT RESOLUTION SUPPORTING THE EFFORTS OF THE WORLD HEALTH ORGANIZATION AND WARIS DIRIE TO END THE HARMFUL TRADITION OF FEMALE GENITAL MUTILATION," was jointly offered by Representatives Morita, Lee, Catalani, Ahu Isa, Kawakami, Yoshinaga, Luke, Auwae, Thielen, Meyer and Marumoto.

H.C.R. No. 48, entitled: "HOUSE CONCURRENT RESOLUTION CALLING FOR THE REPORTING OF ALL ONGOING AND PLANNED WORK WITH GENETIC ENGINEERING IN THE STATE OF HAWAII," was offered by Representative Morita, by request.

H.C.R. No. 49, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE MEMBERS OF HAWAII'S CONGRESSIONAL DELEGATION TO SEEK THE AMENDMENT OF FEDERAL CAPITAL PUNISHMENT LAWS TO EXEMPT HAWAII AND THE OTHER STATES THAT HAVE ABOLISHED THE DEATH PENALTY FROM THE COVERAGE OF THOSE LAWS," was jointly offered by Representatives Santiago, Arakaki, Yamane, Kawakami, Kahikina, Leong and McDermott.

H.C.R. No. 50, entitled: "HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF BUDGET AND FINANCE, WITH THE ASSISTANCE OF THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM, AND THE DEPARTMENT OF TAXATION, TO REPORT TO THE LEGISLATURE IN SPECIFIC AND DETAILED MANNER THE EFFECT, IF ANY, OF THE INCOME TAX CUTS ADOPTED IN ACT 157 OF THE NINETEENTH LEGISLATURE, REGULAR SESSION OF 1998, HAS HAD ON THE ECONOMY," was jointly offered by Representatives Santiago, Arakaki, Kawakami, Yamane, Kahikina, Lee, McDermott, Leong and Stegmaier.

H.C.R. No. 51, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY TO REQUIRE DETAILED JUSTIFICATION FROM THE HAWAII HEALTH SYSTEMS CORPORATION IN ANY CERTIFICATE OF NEED PROPOSAL TO REDUCE LONG-TERM CARE BEDS," was jointly offered by Representatives McDermott, Santiago, Arakaki, Yamane, Kawakami, Kahikina, Lee, Leong and Stegmaier.

H.C.R. No. 52, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF EDUCATION TO FACILITATE AND ASSIST EFFORTS TO STRENGTHEN AND EVALUATE EXISTING STUDENT LEADERSHIP PROGRAMS," was jointly offered by Representatives Takamine and Hamakawa.

**APPOINTMENT AND DISCHARGE
OF CONFEREES****H.B. No. 139, HD 1, SD 2:**

Discharged Representative Saiki as Co-Chair.
Added Representative Yamane as Co-Chair.

ANNOUNCEMENTS

Representative Takai: "We have a birthday boy in our midst. Although I'd promised not to say his name, he is the Chair of the Higher Education Committee. I believe it is his 'yakudoshi' year, so if we could congratulate him."

Representative Morihara: "We will be having a gathering later. Thank you."

ADJOURNMENT

At 1:23 o'clock p.m., on motion by Representative Yonamine, seconded by Representative Pendleton and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Friday, March 10, 2000. (Representatives Cachola, Herkes, Okamura, Santiago, Souki and Stegmaier were excused.)

TWENTY-NINTH DAY

Friday, March 10, 2000

The House of Representatives of the Twentieth Legislature of the State of Hawai'i, Regular Session of 2000, convened at 12:11 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Pastor Don Puschin from Calgary Chapel of Pearl Harbor, after which the Roll was called showing all members present with the exception of Representatives Cachola, Garcia, Luke, Menor, Okamura, Souki, Stegmaier, Takamine and Whalen, who were excused.

By unanimous consent, reading and approval of the Journal of the House of Representatives of the Twenty-Eighth Day was deferred.

MISCELLANEOUS COMMUNICATION

The following communication (Misc. Comm. No. 10) was received and announced by the Clerk and was placed on file:

Misc. Comm. No. 10, dated March 9, 2000, from Paul T. Kawaguchi, Chief Clerk of the Senate, to The Honorable Benjamin J. Cayetano, Governor of the State of Hawai'i, giving notice of the final form of the following bills, in accordance with the provisions of Article XVII, Section 3 of the Hawai'i State Constitution:

Senate Bill No. 539, SD 1, entitled: "PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 6, OF THE HAWAII CONSTITUTION, TO PROVIDE THE UNIVERSITY OF HAWAII WITH AUTONOMY IN ALL MATTERS RELATED TO THE UNIVERSITY";

Senate Bill No. 2941, entitled: "PROPOSING AN AMENDMENT TO ARTICLE VII, SECTION 3 OF THE STATE CONSTITUTION TO PROVIDE FOR THE APPOINTMENT OF A TAX REVIEW COMMISSION EVERY TEN YEARS"; and

House Bill No. 164, SD 1, entitled: "PROPOSING AN AMENDMENT TO ARTICLE III, SECTION 6, OF THE HAWAII CONSTITUTION, TO CHANGE THE ELIGIBILITY REQUIREMENTS FOR MEMBERSHIP IN THE SENATE OR HOUSE OF REPRESENTATIVES."

INTRODUCTIONS

The following introductions were made to the members of the House:

Representative Kaho'ohalahala, on behalf of Representatives Souki, Morihara, Nakasone, Halford, Morita and himself, introduced students of the Maui District Student Council Organization and their advisors, Ms. Daphne Sing and Ms. Patricia Brimley.

Representative Kaho'ohalahala also introduced a delegation from the Village of Tautita on the Island of Tahiti who were present to participate in the celebration commemorating the 25th anniversary of the Polynesian Voyaging Canoe Hokule'a.

Representative Arakaki, on behalf of Representatives Abinsay, Cachola, Ahu Isa and himself, introduced the following students and faculty of various Farrington Complex Schools:

Farrington High School

Ms. Katherine Cachero, Student Body President;

Mr. Lester Manding;

Dole Intermediate School

Mr. Jared Ikeda, teacher/advisor;
Ms. Beverly Sabia, Eighth Grade representative,
Kalakaua Intermediate School;
and student leaders;

Kalakaua Intermediate School

Ms. Renee Bailey, teacher/advisor;
and student leaders;

Kalihi-Kai School

Ms. Lendy Notake, teacher/advisor;
Ms. Arlena Orpilla, teacher/advisor;
Mr. Rez Archer, teacher/advisor;
Mr. Christopher Badua, Student Body President, Ka'ewai
School;
and student leaders;

Ka'ewai School

Ms. Darca Thomas, teacher/advisor;
Mr. Robin Manzano, Student Body Vice-President,
Kalihi Uka Elementary;
and student leaders;

Kalihi-Uka School

Ms. Delci Saito, teacher/advisor;
Ms. Kapiuya Ahkiung, teacher/advisor;
Ms. Noelle Tampon, teacher/advisor; and
and student leaders.

Representative Yonamine introduced fourth grade students from Palisades Elementary School; teachers, Mrs. Maeshiro and Mrs. Kusunoki; and parents, Mr. Aitomo and Mr. Akasio.

Representative Kahikina introduced the students, teachers and advisors of Nanaikapono Elementary School.

ORDER OF THE DAY

COMMITTEE REFERRALS

The following Senate Bills were referred to committee by the Speaker, as follows:

<u>S.B.</u> <u>Nos.</u>	<u>Referred to:</u>
364	Committee on Consumer Protection and Commerce, then to the Committee on Finance
800	Committee on Energy and Environmental Protection, then to the Committee on Finance
1390	Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
2001	Committee on Judiciary and Hawai'ian Affairs
2003	Committee on Economic Development and Business Concerns, then to the Committee on Finance
2021	Committee on Human Services and Housing, then to the Committee on Finance
2058	Committee on Finance

- 2074 Jointly to the Committee on Public Safety and Military Affairs and the Committee on Human Services and Housing, then to the Committee on Finance
- 2093 Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2106 Committee on Finance
- 2114 Committee on Transportation
- 2118 Committee on Water and Land Use, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2131 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2132 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2134 Jointly to the Committee on Agriculture and the Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2147 Committee on Judiciary and Hawai'ian Affairs
- 2150 Committee on Judiciary and Hawai'ian Affairs
- 2151 Committee on Judiciary and Hawai'ian Affairs
- 2171 Committee on Labor and Public Employment, then to the Committee on Finance
- 2181 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2192 Committee on Labor and Public Employment, then to the Committee on Judiciary and Hawai'ian Affairs
- 2194 Committee on Finance
- 2200 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2205 Committee on Consumer Protection and Commerce
- 2220 Jointly to the Committee on Ocean Recreation and Marine Resources and the Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2221 Jointly to the Committee on Energy and Environmental Protection and the Committee on Agriculture, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2278 Committee on Consumer Protection and Commerce
- 2279 Jointly to the Committee on Energy and Environmental Protection and the Committee on Water and Land Use, then to the Committee on Consumer Protection and Commerce
- 2282 Jointly to the Committee on Energy and Environmental Protection and the Committee on Water and Land Use, then to the Committee on Consumer Protection and Commerce
- 2283 Committee on Consumer Protection and Commerce
- 2289 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2300 Committee on Transportation, then to the Committee on Finance
- 2301 Committee on Transportation, then to the Committee on Water and Land Use, then to the Committee on Finance
- 2303 Committee on Transportation, then to the Committee on Finance
- 2304 Committee on Consumer Protection and Commerce
- 2306 Committee on Transportation, then to the Committee on Consumer Protection and Commerce
- 2307 Committee on Transportation, then to the Committee on Consumer Protection and Commerce
- 2312 Committee on Labor and Public Employment, then to the Committee on Finance
- 2316 Committee on Transportation, then to the Committee on Finance
- 2317 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2318 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 2342 Committee on Agriculture, then to the Committee on Finance
- 2348 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2369 Jointly to the Committee on Labor and Public Employment and the Committee on Finance
- 2387 Jointly to the Committee on Health and the Committee on Education, then to the Committee on Finance
- 2412 Committee on Legislative Management, then to the Committee on Finance
- 2416 Committee on Consumer Protection and Commerce, then to the Committee on Judiciary and Hawai'ian Affairs
- 2421 Committee on Finance
- 2429 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2432 Jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Public Safety and Military Affairs, then to the Committee on Finance
- 2436 Committee on Judiciary and Hawai'ian Affairs
- 2437 Committee on Economic Development and Business Concerns, then to the Committee on Consumer Protection and Commerce, then to the Committee on Judiciary and Hawai'ian Affairs
- 2438 Committee on Judiciary and Hawai'ian Affairs
- 2441 Committee on Judiciary and Hawai'ian Affairs
- 2442 Jointly to the Committee on Education and the Committee on Health, then to the Committee on Judiciary and Hawai'ian Affairs
- 2446 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance

- 2448 Jointly to the Committee on Health and the Committee on Higher Education, then to the Committee on Finance
- 2456 Committee on Human Services and Housing, then to the Committee on Finance
- 2467 Jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary and Hawai'ian Affairs
- 2470 Committee on Education
- 2473 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2477 Committee on Judiciary and Hawai'ian Affairs
- 2479 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2480 Committee on Judiciary and Hawai'ian Affairs
- 2489 Committee on Health, then to the Committee on Finance
- 2490 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
- 2493 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
- 2494 Jointly to the Committee on Human Services and Housing and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2499 Committee on Legislative Management, then to the Committee on Finance
- 2509 Committee on Labor and Public Employment, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2527 Committee on Consumer Protection and Commerce
- 2530 Committee on Agriculture, then to the Committee on Finance
- 2533 Jointly to the Committee on Public Safety and Military Affairs and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2544 Committee on Legislative Management, then to the Committee on Finance
- 2561 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2562 Committee on Consumer Protection and Commerce
- 2576 Committee on Human Services and Housing, then to the Committee on Finance
- 2598 Committee on Human Services and Housing, then to the Committee on Finance
- 2634 Committee on Judiciary and Hawai'ian Affairs
- 2637 Committee on Judiciary and Hawai'ian Affairs
- 2643 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs
- 2657 Committee on Consumer Protection and Commerce, then to the Committee on Finance
- 2666 Committee on Judiciary and Hawai'ian Affairs
- 2668 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2675 Committee on Legislative Management, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2692 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2706 Jointly to the Committee on Transportation and the Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2711 Committee on Economic Development and Business Concerns, then to the Committee on Consumer Protection and Commerce
- 2716 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2717 Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2736 Jointly to the Committee on Water and Land Use and the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2745 Jointly to the Committee on Agriculture and the Committee on Ocean Recreation and Marine Resources, then to the Committee on Finance
- 2750 Committee on Finance
- 2751 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2758 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2781 Committee on Economic Development and Business Concerns, then to the Committee on Finance
- 2811 Committee on Consumer Protection and Commerce
- 2814 Committee on Consumer Protection and Commerce
- 2815 Committee on Consumer Protection and Commerce
- 2819 Committee on Consumer Protection and Commerce
- 2826 Committee on Consumer Protection and Commerce
- 2829 Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2836 Committee on Education
- 2847 Committee on Human Services and Housing, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance
- 2866 Committee on Health, then to the Committee on Consumer Protection and Commerce
- 2879 Committee on Energy and Environmental Protection, then to the Committee on Finance
- 2883 Committee on Finance

2909 Committee on Water and Land Use, then to the Committee on Finance

2917 Committee on Water and Land Use, then to the Committee on Finance

2918 Committee on Water and Land Use, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance

2924 Committee on Economic Development and Business Concerns, then to the Committee on Judiciary and Hawai'ian Affairs

2930 Committee on Judiciary and Hawai'ian Affairs

2931 Committee on Judiciary and Hawai'ian Affairs

2935 Jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Public Safety and Military Affairs, then to the Committee on Finance

2953 Committee on Transportation, then to the Committee on Judiciary and Hawai'ian Affairs

2961 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance

2982 Committee on Judiciary and Hawai'ian Affairs

2983 Committee on Water and Land Use, then to the Committee on Judiciary and Hawai'ian Affairs

2987 Jointly to the Committee on Consumer Protection and Commerce and the Committee on Labor and Public Employment, then to the Committee on Finance

2988 Jointly to the Committee on Economic Development and Business Concerns and the Committee on Labor and Public Employment, then to the Committee on Finance

2990 Committee on Energy and Environmental Protection, then to the Committee on Finance

2993 Committee on Energy and Environmental Protection, then to the Committee on Consumer Protection and Commerce, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance

2996 Committee on Education, then to the Committee on Judiciary and Hawai'ian Affairs

3023 Committee on Judiciary and Hawai'ian Affairs

3031 Committee on Transportation, then to the Committee on Labor and Public Employment, then to the Committee on Finance

3032 Committee on Economic Development and Business Concerns, then to the Committee on Finance

3038 Committee on Education, then to the Committee on Judiciary and Hawai'ian Affairs

3041 Committee on Consumer Protection and Commerce

3043 Committee on Consumer Protection and Commerce, then to the Committee on Finance

3051 Committee on Economic Development and Business Concerns, then to the Committee on Judiciary and Hawai'ian Affairs

3104 Committee on Transportation, then to the Committee on Finance

3123 Jointly to the Committee on Human Services and Housing and the Committee on Labor and Public Employment, then to the Committee on Education, then to the Committee on Finance

3125 Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance

3133 Committee on Judiciary and Hawai'ian Affairs

3160 Committee on Consumer Protection and Commerce, then to the Committee on Finance

3190 Committee on Consumer Protection and Commerce

3192 Committee on Consumer Protection and Commerce

3194 Committee on Agriculture, then to the Committee on Judiciary and Hawai'ian Affairs

COMMITTEE REASSIGNMENTS

The following Senate Bills were re-referred to committee by the Speaker, as follows:

S.B. Nos.

Re-referred to:

2405 Committee on Judiciary and Hawai'ian Affairs

2849 Committee on Human Services and Housing, then to the Committee on Judiciary and Hawai'ian Affairs

2850 Committee on Human Services and Housing, then to the Committee on Judiciary and Hawai'ian Affairs, then to the Committee on Finance

2870 Jointly to the Committee on Judiciary and Hawai'ian Affairs and the Committee on Consumer Protection and Commerce, then to the Committee on Finance

INTRODUCTION OF RESOLUTION (FLOOR PRESENTATION)

The following resolution (H.R. No. 56) was received and announced by the Clerk and the following action taken:

H.R. No. 56, entitled: "HOUSE RESOLUTION COMMEMORATING THE TWENTY-FIFTH ANNIVERSARY OF THE POLYNESIAN VOYAGING CANOE HOKULE'A," was jointly offered by Representatives Kaho'ohalahala, Kanoho, Kawakami, Morita, Auwae, Kahikina, Morihara, Arakaki, Marumoto, Halford, Leong, Schatz, Catalani, Lee and Fox.

On motion by Representative Kaho'ohalahala, seconded by Representative Morita and carried, H.R. No. 56 was adopted, with Representatives Cachola, Garcia, Halford, Hamakawa, Luke, Menor, Meyer, Nakasone, Okamura, Rath, Saiki, Souki, Takamine and Whalen being excused.

Representative Kaho'ohalahala introduced the honorees from the Polynesian Voyaging Society: Mr. Myron "Pinky" Thompson, President; Ms. Chantelle Ching, Assistant Navigator; Mr. Snake Ah Hee, Cook. Also, Ms. Mahina Rapu, Ambassador-at-Large of Rapa Nui; and Mr. Sonny Malahao, Mayor of Tautita, Tahiti.

At 12:37 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 12:42 o'clock p.m.

At this time, the host families of Tautita, Tahiti offered their greetings in song to the members of the House.

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 54 and 55) and concurrent resolutions (H.C.R. Nos. 53 through 56) were referred to Printing and further action was deferred:

H.R. No. 54, entitled: "HOUSE RESOLUTION ENCOURAGING THE STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES TO ESTABLISH A COMMUNITY BASED SUBSISTENCE FISHING AREA AT HA'ENA ON THE ISLAND OF KAUAI," was jointly offered by Representatives Morita, Kanoho and Kawakami.

H.R. No. 55, entitled: "HOUSE RESOLUTION ENCOURAGING THE COUNTIES OF THE STATE OF HAWAII TO ADOPT THE STANDARDS FOR RESIDENTIAL BUILDINGS IN THE MODEL ENERGY CODE TO APPLY TO ALL NEW RESIDENTIAL REAL PROPERTY," was jointly offered by Representatives Morita, Thielen, Cachola, Garcia, Kanoho, Schatz and Takumi.

H.C.R. No. 53, entitled: "HOUSE CONCURRENT RESOLUTION ENCOURAGING THE STATE OF HAWAII DEPARTMENT OF LAND AND NATURAL RESOURCES TO ESTABLISH A COMMUNITY BASED SUBSISTENCE FISHING AREA AT HA'ENA ON THE ISLAND OF KAUAI," was jointly offered by Representatives Morita, Kanoho and Kawakami.

H.C.R. No. 54, entitled: "HOUSE CONCURRENT RESOLUTION ENCOURAGING THE COUNTIES OF THE STATE OF HAWAII TO ADOPT THE STANDARDS FOR RESIDENTIAL BUILDINGS IN THE MODEL ENERGY CODE TO APPLY TO ALL NEW RESIDENTIAL REAL PROPERTY," was jointly offered by Representatives Morita, Thielen, Cachola, Garcia, Kanoho, Schatz and Takumi.

H.C.R. No. 55, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY TO PROVIDE A STATUS REPORT ON THE RELOCATION OF THE CITY AND COUNTY OF HONOLULU'S BASEYARD FACILITIES FROM THE KAKAAKO MAKAI AREA," was offered by Representative Hiraki.

H.C.R. No. 56, entitled: "HOUSE CONCURRENT RESOLUTION ESTABLISHING A TASK FORCE TO INVESTIGATE THE FEASIBILITY OF THE UNITED STATES NAVY INCREASING THE OPERATIONAL WORKLOAD AND EMPLOYMENT OF PEARL HARBOR NAVAL SHIPYARD," was jointly offered by Representatives Garcia and Herkes.

ANNOUNCEMENT

Representative Case: "This is a reminder of our lunch presentation in room 325 immediately following today's session."

ADJOURNMENT

At 12:47 o'clock p.m., on motion by Representative Yonamine, seconded by Representative Pendleton and carried, the House of Representatives adjourned until 12:00 o'clock noon, Monday, March 13, 2000. (Representatives Abinsay, Cachola, Garcia, Halford, Hamakawa, Luke, Menor, Meyer, Nakasone, Okamura, Rath, Saiki, Souki, Takamine, Whalen and Yamane were excused.)