

TWENTY-SIXTH DAY

Tuesday, March 4, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 9:15 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Chaplain Alan Urasaki after which the Roll was called showing all members present with the exception of Representative Takamine, who was excused.

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

DEPARTMENTAL COMMUNICATIONS

The following departmental communications (Dept. Com. Nos. 40 and 41) were received by the Clerk and were placed on file:

Dept. Comm. No. 40, from Marion M. Higa, State Auditor, transmitting their report, Financial Audit of the John A. Burns School of Medicine of the University of Hawaii.

Dept. Comm. No. 41, David Shimabukuro, Administrator, Employees' Retirement System, transmitting their Comprehensive Annual Financial Report.

INTRODUCTIONS

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

Representative Hale introduced Ms. Marsha Joyner, President of the Martin Luther King, Jr. Day parade committee.

Representative Takai introduced, on behalf of Representatives B. Oshiro and Finnegan, 5th grade students from Waimalu Elementary School; their teachers Mrs. Raedeen Ishihara and Ms. Carrieanne Lee; and chaperones Ms. Cora Fonseca and Ms. Linda Castro.

Representative Arakaki introduced members of FACE, (Faith Action for Community Equity) and their president, Rev. Neal McPhearson, and members of the Coalition of Affordable Long Term Care and the Kokua Council.

Representative Lee introduced former Representative Annelle Amaral.

Representative Takumi introduced students of the Halau Ku Mana Charter Schools from the University of Hawaii Hawaiian Studies program, and their teachers, Mr. Kimo Armitage, Mr. Ikaika Hussey, Ms. Anela Lincoln, and Ms. Nohea Stibbard.

At 9:23 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:00 o'clock p.m. with the Vice Speaker presiding.

ORDER OF THE DAY

SUSPENSION OF RULES

On motion by Representative Lee, seconded by Representative Meyer 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 Hamakawa, Karamatsu and Souki were excused.)

UNFINISHED BUSINESS

At this time, the Chair announced:

"Members, before we go on, we're going to take the vote on the first two pages. After that, we'll be taking the vote by page. It's very important that you stay in your seat the entire time for the appropriate motion and vote."

Representative Morita, for the Committee on Energy and Environmental Protection presented a report (Stand. Com. Rep. No. 726) recommending that H.B. No. 1328, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1328, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CONSUMER ADVOCATE," passed Third Reading by a vote of 51 ayes.

Representative Kanoho, for the Committee on Water, Land Use, and Hawaiian Affairs presented a report (Stand. Com. Rep. No. 727) recommending that H.B. No. 1607, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1607, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AUTHORIZED EMERGENCY VEHICLES," passed Third Reading by a vote of 51 ayes.

Representative Hiraki, for the Committee on Consumer Protection and Commerce presented a report (Stand. Com. Rep. No. 728) recommending that H.B. No. 1492, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1492, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in support of this measure, but with some reservations. The purpose of this bill is to expand the Net Energy Metering Program which allows eligible customer generators-people who generate electricity-to off-set part of their electrical needs. It amends the law by removing the 10-kilowatt cap on the size of the system. It incrementally increases by half a percent, every two years up to the year 2020.

"While I am all in favor of renewable energy, my concern is that the ratepayers will subsidize these generators. We already pay some of the highest electrical bills in the country. Taking the cap off puts us up as one of the few states that is above that 10-kilowatt level. Those are my concerns for the ratepayers of Hawaii, and for subsidizing these businesses. Thank you."

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

"Thank you, Madame Chair. I rise in support of this measure. Just for the edification of the Members, the subsidy that is being described can be as small as \$2.50 per year, per

residential customer. I think that is a small price to pay for a movement towards and promoting renewable energy. Thank you."

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

"Thank you, I rise in support. Thank you, Madame. Speaker. As the Chair had mentioned this is really environmental justice. I believe it is an initiative that would send a loud message that this State wants to use renewable energy. I would like to just add that we need to look at other technologies and I am hoping that, as it goes along, that we could also add plasma-arc gasification, a method that would turn rubbish into energy and make us less dependent on landfills. I encourage my colleagues to support this."

Representative Kanohe rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

"Madame Speaker, I rise in support with reservations, as my colleague, the Minority Floor Leader. This is a huge step in the right direction for self-sustainability. I think it is important that we start taking these baby steps and achieve our final goal."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1492, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NET ENERGY METERING," passed Third Reading by a vote of 51 ayes.

Representative Hiraki, for the Committee on Consumer Protection and Commerce presented a report (Stand. Com. Rep. No. 729) recommending that H.B. No. 10, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 10, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," passed Third Reading by a vote of 51 ayes.

Representatives Hiraki and Hamakawa, for the Committee on Consumer Protection and Commerce and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 730) recommending that H.B. No. 1510, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1510, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, and good morning Madame Speaker. I rise in opposition to Standing Committee Report No. 730, HB 1510. This will expand the scope of chiropractic care. What we are talking about here is chiropractic practice as far as it relates to insurance costs. This would limit the compensation, but it would, I think, expand the scope of practice. We have testimony in opposition from the Hawaii Insurance Council, Hawaii Medical Association, ILWU Local 142, Chamber of Commerce, State Farm and others who testified in opposition to this bill.

"The scope and the definition of chiropractic needs to remain what it is at this point, otherwise what we will experience is an

incredible increase in the costs of insurance premiums. We have to face a difficulty in our State. People have a difficult time paying for their insurance costs. These sort of, unfunded mandates, drive those costs up more and more, and this bill will continue to do the same thing. So the question when it is asked is: Why are insurance rates so high? Why are medical costs so high? Well it is bills like this Standing Committee Report 730, HB 1510. So I am voting against this, and I encourage my colleagues to do the same."

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

"Madame Speaker, I have reservations regarding this bill along the same lines as the previous speaker, and I'd like insert my comments into the Journal please," and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"Mr. Speaker, I rise to speak in opposition to HB 1510, HD 1.

"This bill proposes to expand the scope of the definition of "chiropractic" for purposes of reflecting the current training and expertise of chiropractors. The expanded scope of chiropractor care includes adjusting the anterior rib cage, the head, the lower and upper body extremities, and the rib cage. The bill also proposes to limit reimbursement for chiropractic care only to treatment performed on the spinal column.

"Overall, this bill will significantly increase medical costs for motor vehicle and workers' compensation insurance by allowing chiropractors to expand their scope of practice to the entire body and by allowing them to order and diagnose laboratory tests.

"Under the present motor vehicle insurance law, chiropractors are limited to 30 treatments at \$75 per treatment and additional reimbursement for x-rays. The proposed change in the scope of chiropractic practice would result in more people seeking chiropractic care for injuries than ever before, just because a chiropractor would be able to treat all injuries and to order lab tests.

"Because this expansion in scope is so great, it is not possible to know the exact financial impact of this on either workers' compensation or motor vehicle insurance. We don't know anything about the impact to consumers on motor vehicle insurance. That is a very serious concern about this bill. Let me just share three points about this bill.

"First, what we do know about the impact on workers' compensation is that, according to the Workers' Compensation Research Institute, total costs per claim for chiropractor-directed physical medicine care are 30% higher than physician-directed physical medicine care for non-surgical back sprains and strains in California, Connecticut, and Texas. In Florida, chiropractor-directed cases achieve the same outcome at a 10% lower cost partly because of regulatory restrictions placed on the number of chiropractic visits that must be reimbursed by the payer.

"Second, in Hawaii, chiropractors are basically considered to be "physicians" in workers' compensation. In 1993, Tillinghast conducted a closed claims study that showed the average chiropractic cost per claim was \$6,400, compared to \$1,600 for osteopaths providing similar treatment. In 1993, chiropractic costs were four times the cost of osteopaths.

"Consumers of healthcare in Hawaii can ill afford this bill. Payers, both private and government, can ill afford this bill. For those reasons, I am opposed to the passage of HB 1510."

Representative B. Oshiro rose to speak in support of the measure, stating:

"I stand in strong support of this bill. Just for the Members' edification, this is the same bill that was passed out last year. That was S.B. 233. And basically what we did was we reintroduced it because it was vetoed by the Governor based on some speculative cost impacts. And those speculative cost impacts are exactly the objections that are being brought forward by the Hawaii Insurers Council, as well as HMA and State Farm.

"Basically, if you take a close look at the bill, what we did was we put a cap on workers' compensation. We kept it to human spinal columns so there should be no impact to workers' comp.

"As to no-fault, there's already a cap in no-fault, to thirty chiropractic visits. So really it would make no difference because they're already capped at thirty visits, whether they treat for extremities, or human spinal column, no matter. It is still limited to 30.

"As to any other medical insurance, that's based purely on contract. That's not based on the statute itself. So really the only two types of insurance we are talking about is workers' comp and no-fault, and both of those have been addressed in this bill.

"Furthermore, just for the further consideration of the Members, the DCCA promised that they'd be giving us a cost impact analysis at the end of March so that we could really take a look at what the impact is going to be, if there is any. And that's the time when we should take a look at this. Because people need to realize that the scope of practice, as it currently is defined, was back in 1920, so all of this time, 70 to 80 years, chiropractors have been going through extensive educational requirements, but they have not been allowed to expand their scope of practice.

"And really, if we're talking about additional treatment, we all recognize that there are alternative forms of treatment that perhaps are cheaper than traditional medical cost, and we believe that maybe chiropractors should be allowed to expand in some of those areas. So it's for those reasons that I stand in strong support."

Representative Marumoto rose to respond, stating:

"Madame Speaker, just in response to the previous speaker. I just would like to point out to you that the Committees were very concerned about increasing cost. I will read from Committee Report No. 730. "Your Committees are concerned that passage of this measure may result in additional automobile and health insurance costs, and indirectly in workers' compensation cost increases." So we will certainly look for the impact analysis to be done by the DCCA. I think it should be done well before the effective date of this bill which is 2050. Thank you."

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

"I rise in support of the measure. Madame Speaker, in response to the concerns for cost, we all are concerned about costs. Because certainly when it comes to the area of workers' compensation, the small businesses and the over 28,000 businesses in the State of Hawaii bear the brunt of those costs.

I believe that the Representative from Aiea adequately indicated some of the safeguards included in this measure. But I think when it comes to the concerns of additional cost, clearly the system that has been established by the Hawaii Revised Statutes places that responsibility in the hands of the Insurance Commissioner. The Governor has just appointed a new Insurance Commissioner and as history has shown us, any rate hikes all will have to be scrutinized carefully and any increases in rates will have to be approved by the Insurance Commissioner.

"When the Legislature previously opened up the process to allow participants to be part of the process of questioning the increase in rates, that was an additional safeguard not only for employers, but for the entire public. That includes those workers who under our workers' compensation law are entitled to medical care. That is the primary protection and benefit, because those workers that get injured should be treated. They should be rehabilitated and return to work so that you provide for an efficient processing of the workers' compensation system and statutes in the event injuries do occur.

"Certainly, prevention is the best rule. But where injuries are a part of the reality, I do feel that the safeguards, to a great degree, are in the hands of the Insurance Commissioner, and I believe that with the safeguards indicated earlier, this is a good bill for passage. Thank you very much, Madame Speaker."

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

"Thank you, Madame Speaker. I rise in opposition to this measure. This bill expands the scope of the work that chiropractors can do. It goes beyond the spinal column. However it attempts to expand the definition of the chiropractic profession beyond the five regions that comprise the spinal column. Well, for the moment, the expansion of the areas defines the chiropractic profession, would not result in an expansion of the areas. That's if this bill did not pass. But with this expansion, I believe there's no justification for this expansion, broadening these areas of treatment beyond the spinal column which has been historically the scope of chiropractic care. Just as psychologists have not been permitted to have prescriptive authority or a license to treat non-psychological impairments, so the chiropractors have properly been limited, by the nature of their training and education. No rationale has been presented for the unprecedented departure from this history, this tradition and past practice. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1510, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHIROPRACTIC," passed Third Reading by a vote of 40 ayes to 11 noes, with Representatives Blundell, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Meyer, Moses, Stonebraker and Thielen voting no.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 731) recommending that H.B. No. 373, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 373, HD 2, entitled: "A BILL FOR AN ACT RELATING TO POLITICAL SPEECH," passed Third Reading by a vote of 45 ayes to 6 noes, with Representatives Blundell, Ching, Halford, Jernigan, Meyer and Stonebraker voting no.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 732) recommending that H.B. No. 529, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 529, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CAVE PROTECTION," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 733) recommending that H.B. No. 581, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 581, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SHARK FEEDING," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 734) recommending that H.B. No. 865, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 865, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONFLICTS OF INTERESTS," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 735) recommending that H.B. No. 1261, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1261, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I rise in support of this bill. This bill is a common sense bill. It makes the public feel safer because it holds the property owner at least liable to some degree of responsibility, so that the property owner will look at his property for dangerous conditions that exist and make sure that in this particular case, no falling rocks will fall and kill people.

"That is exactly what has happened recently and that is the reason why this bill was introduced. But I believe, Madame Speaker, this is just common sense being codified. If you, the landowner, have the privilege owning such land that has rocks that are ready to fall, then it is your responsibility to mitigate these possible dangers that may occur, such as falling rocks on those people who live next to your land. Therefore, I believe, Madame Speaker, that we should support this bill so that it can go through. Thank you."

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

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

"Thank you, Madame Speaker. In opposition. This bill is about regulating something that is properly the area of the counties. And because it's properly the area of the counties, what it really does is open up the counties to be sued if they

don't handle it in the correct fashion. The counties objected to it on that basis.

"It's our job to handle the things that are under our jurisdiction and we don't want to be held liable under this bill. I think that it is really disingenuous to talk to about this as basically taking care of people, when it's really more about taking care of people who want to sue those with the deep pockets. And that would be the counties. And the counties will suffer. Our taxes will go up. I object to this bill. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, brief comments in strong support. Just to clarify, I think people need to read the bill carefully. On page 6, what we did was we said that the counties may enact ordinances to deal with this issue, in terms of how they're going to deal with it, what liability, the extent they want. That's up to them.

"The reason we introduced this and are going to move this along for further discussion, and I emphasize, further discussion, because we did put a defective date on it, is because the City and County of Honolulu last year, under Council Resolution No. 02-320 specifically asked us to pass a bill like this. And that's why we're doing it.

"Although the Administration came in and testified in opposition to this bill, the Council themselves passed a resolution and we, in this Body, are constantly saying we are policymakers. We're the ones that get to decide how the laws are made. So if we're going to respect the counties and give them their homerule, and give them their equal treatment, we should consider this resolution and give them what they want. Thank you."

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

"Thank you, Madame Speaker. In support but with reservations primarily because the mountain may be there to begin with, and so the onus is on the developer who places those homes in harm's way. Thank you."

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

"Thank you, Madame Speaker. I rise in strong support. Madame Speaker, this bill will provide Hawaii's counties the authority to enforce accountability upon private property owners to prevent potential danger to persons or property due to falling rocks or other dangerous conditions.

"On December 4, 2002, the City Council of the City and County of Honolulu adopted Council Resolution No. 02-320 respectfully urging the Legislature to enact legislation that would either create an actionable duty on part of the private owners to inspect their property for rock fall dangers, or authorize the counties to enact such legislation. This legislation would respect homerule, and would allow counties to craft legislation that would benefit each county respectively.

"Madame Speaker, the City Council Member from the North Shore and private citizen, Patrick Onishi, provided compelling testimony demonstrating the need for the State to get involved to reduce the risk of injury and even death for the people of Hawaii. This bill's intent is to provide a vehicle for the counties to enact an ordinance. The language of the ordinance can be crafted to fit the needs of the counties.

"Madame Speaker, your Committee finds the need to clarify the duty of the owner of privately held land to protect the citizens of this State from unreasonable dangers caused by falling rocks. We can't afford any more to stand by and let these events go unheeded. We need to take the lead to protect their health, safety and welfare of the people of this State from increasing dangers caused by landslides and falling rocks. We must do our best to prevent these tragic events that have already claimed valuable lives. I hope my colleagues will support this bill and move it forward to the Senate. 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. 1261, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Blundell, Ching, Fox, Meyer and Moses voting no.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 736) recommending that H.B. No. 1182, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1182, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of the measure. It is clear that individuals have the fundamental right to control decisions relating to their own medical care, including the decision to have medical or surgical means or procedures calculated to prolong their lives continued, withheld or withdrawn.

"The Patient Self Determination Act and the Uniform Health Care Decisions Act allow persons to direct what care they want and do not want. When in the hospital, patients and their surrogates can request a DNR order, which requests not to be resuscitated if cardiac arrest occurs. It is not necessary to be terminal to request this.

"The proposed amendment contained in HB 1182 would reflect these rights in and out of a hospital setting.

"Therefore, persons who have chosen to be DNR or CCO would not automatically be resuscitated by EMT persons responding to an ambulance call. The presence of a CCO bracelet would indicate the patient's wishes to the emergency responders.

"Nothing is sadder than the realization that a person brought to the ER has been resuscitated futilely against his wishes. This bill is long overdue and I urge the members to support it."

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1182, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," passed Third Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos.: 1328, HD 1; 1607, HD 2; 1492, HD 2; 10, HD 2; 1510, HD 1; 373, HD 2; 529, HD 1; 581, HD 1; 865, HD 2; 1261, HD 2; and 1182, HD 2; passed Third Reading at 10:20 o'clock a.m.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 737) recommending that H.B. No. 1198, HD 1 as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1198, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHILD LABOR," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 738) recommending that H.B. No. 1285, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1285, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC SITES," passed Third Reading by a vote of 51 ayes.

Representative M. Oshiro, for the Committee on Labor and Public Employment presented a report (Stand. Com. Rep. No. 739) recommending that H.B. No. 248, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 248, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I'm rising to speak in support of the bill accompanying Standing Committee Report No. 739, and the bill regarding smoking in public schools by public employees. Madame Speaker, I am strongly in support of this bill. I'd like to point out an interesting situation to the Members, however. The bill will prohibit smoking of tobacco by public employees at all school-sponsored functions regardless of locations. Madame Speaker, this building isn't a smoke-free building yet and it should be. And Madame Speaker this means when the school students come to the Capitol on a school-sponsored function, the public employees accompany them will not be permitted to smoke in this building.

"However, the building has occupants which do smoke in it, which I believe sets a very poor example and quite a conflict in what is applicable in this building. I think that's something that needs to be addressed Madame Speaker, and I think we should take the leadership and say that this building shall remain smoke-free for school students and for all people. 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. 248, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SMOKING IN PUBLIC SCHOOLS BY PUBLIC EMPLOYEES," passed Third Reading by a vote of 51 ayes.

Representatives Hiraki and Hamakawa, for the Committee on Consumer Protection and Commerce and the Committee on Judiciary presented a report (Stand. Com. Rep. No. 740) recommending that H.B. No. 1438, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1438, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Standing Committee Report No. 740, I rise in opposition. This is the Hawaii Home Loan Protection Act. We want to address predatory lending in this bill. The original bill in the Committee, the earlier subject matter committees, we had the privilege of hearing testimony in favor and against the bill, as written. In my questioning of the lenders and the realtors, because Hawaii's one of the last few markets that's really doing well in this time where our economy has slowed down some, is the real estate market and we want to enable them to continue to do well. And the bill, as written, when I asked lenders, as well as realtors, what it will do to their market, quote, unquote, the answer was devastating.

"So I was quite pleased when the Chair of that Committee amended the bill to narrow the scope because we want to get those 'rogue' brokers that skirt the law, and we want to encourage the DCCA to address those issues. But the bill, as written, was sort of what I refer to as a 'sledge hammer' answer to a 'mosquito problem'. We have narrow problems that we must address, and yet the bill as written had lenders, as well as people in real estate, quite worried.

"So it was amended. It went to the next Committee. In the Consumer Protection Committee the testimony was somewhat better, but the bill was amended again, and I believe it is HD 2, if I'm not mistaken, which goes back to the original writing of the bill. And so for those reasons, I'm voting no, because this bill, from the testimony, would devastate the market. And so I'm voting no. Thank you."

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

"Thank you, Madame Speaker. I rise in strong support. HB 1438, HD 2, is a strong bill, much like the first draft of the bill before it was amended in HD 1. This bill tackles the problem of predatory lending, a growing problem both nationally and at home. The victims of predatory lenders are often the most vulnerable community members: the elderly, the new immigrants, people of limited means whose only assets may be the equity built up in their homes through years of hard work and diligent saving.

"HB 1438, HD 2, tackles the problem of predatory lending head-on by prohibiting the worst, abusive lending practices including loan slipping, balloon payments, exorbitant fees and pre-payment penalties increasing the rate of interest rate after default, and making a loan without due regard to the borrower's ability to repay. Most importantly, this bill makes the mortgage brokers the fiduciary of the borrower, requiring the mortgage broker to act in the financial best interest of the person for whom he or she is obtaining the mortgage loan.

"This language in itself is the strongest recipe I can think of for fair lending practices. While many other states have enacted or are considering legislation relating to the problem of predatory lending, Hawaii is one of the few that has taken this common sense approach, a consumer oriented step. For these and other reasons, I invite all my colleagues, Members, to please strongly support this bill.

"The mosquito is not restricted to certain geographical locations, as small as this mosquito may be. It's nationally. It has now breached its coop and flew nationally. We are not the only one's suffering from this mosquito's bite. We need a big hammer. We need a bigger net. This bill will accomplish such a feat. Thank you very much."

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

"Madame Speaker, I have reservations on this measure. I'd like some of my remarks to be inserted into the Journal. However, I do consider this a very anti-business, bill and would also ask that the remarks of the Representative from Hawaii Kai be incorporated as my own. Thank you," and the Chair "so ordered." (By reference only.)

Representative Marumoto's written remarks are as follows:

"Mr. Speaker, this measure will have very a deleterious effect on Hawaii's economy, the real estate industry as a whole, the entire financial industry, not to mention homeowners, those who hope to sell, those who want to buy. It will retard the increase in homeownership - a near and dear dream of every American adult and local resident.

"The Committee crafted a reasonable draft of the original bill. But now we are reverting to the original bill. Why? For Conference Committee? It is an irresponsible and dangerous version that we are passing on Third Reading. This version tells the public that the Hawaii House of Representatives is anti-business, and that we do not understand the economic importance of being able to sell our mortgages on the secondary insurance market."

Representative Stonebraker rose to respond, stating:

"Thank you, Madame Speaker. I rise on a second occasion to thank your esteemed colleague for using my metaphor with the mosquitoes. But the reason that this is bad is because this sort of bill, I will add, that was passed in Georgia. And Georgia's real estate market collapsed as a result of this measure. So I think we need to be careful, we need to look at the precedent that has been set in other states.

"Under this bill, we have such things as defining a broker. It would include all lenders. The original bill would exempt national or federal lending organizations in the State. It would apply to some. It would apply to Bank of Hawaii, while not applying to American Savings. And in the definition of broker, it includes all lenders, even parents lending to their children. So despite the fact that it has a defective date, I still believe that it is a defective bill. So I would urge my colleagues to vote against it."

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

"Madame Speaker, I rise in support of this legislation. Madame Speaker, there's not a person in this Body who would say they support predatory lending in our State. We all want to bring it to an end where it occurs. And there is a predatory lending problem in areas like the Hamakua Coast on the Big Island, and in places like Wahiawa and maybe a few other places in our State. However, there is not a local, and I emphasize local, bank, thrift, finance company or credit union that makes predatory loans in our State. Therefore, I support this legislation, Madame Speaker, as a vehicle to continue discussion.

"However, I ask that this Body keep three concerns in mind in the ongoing discussion. The first one Madame Speaker, is that there are numerous federal and State laws and regulations already in place that deal with predatory lending, if they are properly enforced and they must be enforced.

"Two, we do not want to adopt legislation that is so broad that it makes it very difficult to sell our loans made in Hawaii on the secondary market. The secondary market is critical to our local financial institutions being able to make loans in our State. And we do not want to kill the one bright spot in our local economy which right now is our robust real estate market.

"And three, Madame Speaker, we don't want to adopt legislation that kills the ability of borrowers who have flawed credit histories to borrow funds at rates higher than those with good credit histories. They deserve credit also, although at a higher interest rate due to the risks involved. Just like everyone else, they should be entitled to obtain credit. Therefore, Madame Speaker, I support the legislation but ask the Body to keep these concerns in mind. Thank you very much."

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

"Thank you, Madame Speaker. In opposition, for many of the reasons made by the previous speaker, speaking in favor of the bill. I just want to basically, briefly say what this bill does is it puts a cloud over a mortgage because of the ability of the borrower to subsequently challenge the mortgage under the terms of this bill. This cloud prevents, not sort of restricts, but basically prevents, these mortgages to be sold in the secondary market outside Hawaii, and almost all mortgages are now sold in the secondary market outside Hawaii. So it basically is going to kill off the mortgage industry in Hawaii and that's why we're all aware, all 51 of us in this Chamber are aware, that the banks are truly alarmed about this bill."

"This should not move forward. Certainly not in the form it was originally in. It was amended correctly and now we're back to a bad bill. The simplest thing is just to vote it down. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I'd like to rise with strong reservations and I would like the words of the Representative from Manoa be added into the Journal as my own," and the Chair "so ordered."

Representative Finnegan continued, stating:

"I'd just like to add a couple of more comments. Just to put a little bit of realism into the ... Oh, I'm sorry. Could you rule on a possible conflict? I'm a mortgage loan originator," and the Chair ruled, "no conflict."

Representative Finnegan continued, stating:

"I just wanted to say that some of the things that happens in our mortgage industry, with this bill, you would have unintended consequences. One of the unintended consequences is the part that it says you have to prove the ability to pay. Okay, that sounds very real. That's something that you should do."

"Right now, in the mortgage industry, we can do a risk analysis. And that risk analysis through a computer generated system of Freddie Mac and Fannie Mae tells you that with this person's credit history, and with this person's assets, and everything, that they've been paying their mortgage on time, you can do this without providing information on their income. What this allows we mortgage lenders to do is give loans to people who are in our State."

"We have a lot of homes that have families residing in. Basically, the homes have sister, brother, mother, father and they come together and they pay a mortgage. Say the mother and the father don't want to have everybody on the mortgage but they want to include somehow, the income or the rental of their family members. Well they can't do this in this case. They wouldn't be able to do that because it would be saying that it's not proving the ability to pay if you just looking at the

mother and father's income. So we would be taking out that situation and not being able to provide for that family a mortgage conventional low interest rate."

"There's a lot of other unintended consequences with parts of this bill. I just also wanted to mention that right now, as a mortgage solicitor, you do not need any training. You do not need any education. You go to DCCA, you fill out an application, you pay \$100 or whatever it is per year, and you're okay to go out there and start soliciting mortgages. That's a problem. That is something that we need to face and we need to solve. These are the kinds of things that we should be doing, as well as looking at how we have fraudulent loan applications, fraudulent up against federal forms we have stacks and stacks of forms that we need to sign or the client needs to sign. Half the time, they don't even know what they're signing and we explain it to them. We need to not make it confusing for them as well and we need to get accountable, well-trained, well educated mortgage loan officers out there doing this service."

"I do support this because I feel that there is a need to do something, reform, and I feel, I support this with strong reservations and I hope that we can make some necessary changes to this. But I hope that in our attempts to get this law through that we look at other things and make some moves to improve our quality of service and our accountability to Hawaii's people. Thank you."

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

"Madame Speaker, I'm rising to speak against the bill. Madame Speaker, my reasons for voting against this bill are very similar to those expressed by the Representative from Manoa. I am really concerned about what damage we might do to devastate Hawaii's lending industry since that is one of the few bright spots in our economy."

"I take a look at the opponents to this measure and it includes the Hawaii Association of Realtors, the Hawaii Financial Services Association, Mortgage Bankers Association of Hawaii and the Hawaii Banker's Association. I think they know what they're talking about. Madame Speaker, I did introduce legislation to try to get at the problem."

"The difficulty with the present bill before us which is another Member's bill is that it's going to do damage instead of helping those it's intended to help. So I would urge my colleagues to take a serious look at this. Because it has a defective effective date, we have time to look at it. But the bill as it stands should not pass out of the Legislature this Session. Thank you"

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

"Thank you, Madame Speaker. I have a potential conflict of interest to disclose. I'm a real estate broker," and the Chair ruled, "no conflict."

Representative Leong continued in opposition to the measure, stating:

"Recently, I had a transaction and I'm voting against this bill. Because of the fact that my client was moving along very well and we found out that the mortgage broker was doing some things that were not very proper, and so we had to resort to going to an attorney to help us to settle her case."

"It was very difficult for her. It was a hard transaction. But that's why there's so many things in here that could go wrong

and we need to be very up-front about it. So because of that I'm voting against this. Thank you."

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

"I'd like to speak in favor of this measure. Madame Speaker, for most families, a home is the most important financial asset that they own. Through their whole families they pay for college and retirement and pass their life savings on to their future generations. However, victims of predatory lenders often place their trust in a loan arranger only to be sold a loan providing very little benefit, containing unfair terms and resulting in the loss of their home and its equity.

"Madame Speaker, our Committee heard testimony and reports of predatory lending practices resulting in the devastating loss of homes, especially on the island of Hawaii, Maui and on Oahu. And I'm aware that there is a need for meaningful remedies to deter these kinds of predatory loan practices. In working with the community to develop a solution, we heard that the predatory lending practices that involve lending terms that may be abusive in some instances, but yet in some instances, may be reasonable. So it was very difficult for us at that point to determine how can we segregate these types of loans, making the predatory loans more difficult to identify and to regulate.

"We accept that there was, at the time of the hearing, a little bit of a problem. So accordingly, your Committee has amended the bill to change the effective date to 2099, just to allow the bill to move on and promote further discussion with all the issues that are raised by this measure. We do so in the hopes of arriving at a workable solution that protects Hawaii's homeowners from the harsh outcomes of predatory lending practices. At the same time Madame Speaker, the Committee is very mindful of the concerns of the Hawaii business community and the stewardship of Hawaii's economy, and we will take care. Thank you."

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

"Yes, Madame Speaker. Thank you very much. I have a potential conflict of interest. I am a realtor," and the Chair ruled, "no conflict."

Representative Souki continued in support of the measure with reservations, stating:

"Madame Speaker and Members, I wish to speak with some reservations. First of all, I want to congratulate the Chairman. I think he did a great job in trying to bring all the parties together to try and resolve a very difficult situation. I believe the intent of the bill is excellent, predatory lending. Certainly we should stop that. However, I have some concerns and I hope that this will be passed on to the Senate and as we go into Conference, I believe there were concerns that were aptly described by the Representative from Manoa. I would want remarks to be included as my own. Thank you very much," and the Chair "so ordered." (By reference only.)

Representative Sonson rose to respond, stating:

"Thank you, Madame Speaker. This is my second time to stand on this very important bill. I too wish to congratulate the Chair of CPC for making such a bold move in trying to accommodate all the parties in this case by inserting a defective date of 2099. I would like to address some of the concerns of the business community and the lending institutions.

"To this Body, I would like to represent to you that I too sat down and listened to the concerns of the business people, especially the bankers. They do not object to legislation that will control these abuses because they too realize that it does exist. The abuses in the lending market exist and they agree with that. What they don't agree with, however, is the fact that it may be too broad so that it may fall under the same kind of legislation as Georgia passed. In which case, Georgia is now suffering capital flight. However, the Georgia bill is a far cry from what we are trying to do in Hawaii.

"We are trying to understand the needs of both the consumers and the business community, and that is why I believe by putting a defective date in this, that the Chair of the Committee has done a good job at least keeping the discussion moving. Let's not stop it because we all understand that a problem exists.

"What we need to do as a Body is to try to find an answer which solves the problems that the consumer faces, that we all understand exists, and at the same time accommodate those who do make a living in making good loans to those consumers who are in need. With that Madame Speaker, I would like to declare a potential conflict. I know it is kind of late but I just thought of it. I do represent victims of predatory lending," 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. 1438, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HOME LOAN PROTECTION," passed Third Reading by a vote of 39 ayes to 12 noes, with Representatives Blundell, Bukoski, Fox, Halford, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 741) recommending that H.B. No. 75, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 75, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 742) recommending that H.B. No. 150, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 150, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. Madame Speaker on Standing Committee Report 742, HB 150, HD 2, I stand in strong support. This bill, that was heard in your Legislative Management Committee, is basically in honor of Renwick Valentine Tassill. We know him as Uncle Joe. He had been the tour guide for the Legislature for 18 years and this is one way we can honor him.

"The original bill was to have the Office of Capitol Tours be part of the Legislature. But through amendments and agreement with DAGS, it is going to go to the State Foundation on Culture and the Arts. So it is basically a tribute to Uncle Joe for his spirit and *mana'o* as far as preserving and telling the

history to all the *keiki* who come through the Capitol. I stand in strong support."

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

"Thank you, Madame Speaker. I stand in strong support and ask that the words of the Representative from North Shore be entered into the Journal as my own," and the Chair, "so ordered."

Representative Kahikina continued, stating:

"And just some added thoughts, Madame Speaker. This is to bring back into order our home that we had once established. And like the previous speaker mentioned, that Uncle Joe has done a great job in establishing this Office, and the services that he had provided here are essential, not only to both houses, but also to the State of Hawaii. All the memories and all the education that he has given, not only to the children of Hawaii, but all of the visitors who visit this Aloha State."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 150, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATURE," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Blundell, Finnegan, Fox, Jernigan, Leong, Moses and Ontai voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 743) recommending that H.B. No. 1029, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1029, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I rise in opposition to this measure. The purpose of this bill is to repeal the automatic approval for a certain time period of business- or development-related permits or licenses. I realize that the automatic approval is very controversial, but you can ask for an extension. My concern is that we are in a very down economic time. Over the last 15 years, it takes a very long time to get approvals. If we want to stimulate the economy, we don't want to do anything more to slow things down and I believe that by passing this bill we will slow down the permit and licensing process.

"In Committee, the Land Use Research Foundation of Hawaii, the Hawaii Business Round Table and the Estate of James Campbell submitted testimony in opposition to this bill. Of course Campbell has a lot of land and we are all pleased with what they have done out in Kapolei. I think we want to continue development, and I am worried that by passing this bill, we will do the opposite of stimulating the economy. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I rise in strong support of the bill. The previous speaker talks about in a down economy we should not prevent these kinds of automatic approvals from happening. The speaker also says that to stimulate the economy we should allow these kinds of practices. This bill, Madame Speaker, is to be sure that we don't move ahead with unintended consequences where automatic approvals are granted just because of the timeframe, just because of technical

issues or the lack of quorum. These should not be reasons why projects should be supported or approved automatically.

"So here is a bill that repeals that section to allow for fairness to be extended across. I'd like to also say that this is a bill that has been supported by the Office of the Governor, the Hawaii County Planning Department, Sierra Club, KAHEA: the Hawaiian-Environmental Alliance, Hawaii Audubon Society, and numerous individuals who strongly spoke in favor of this bill. I gladly stand in strong support."

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

"Yes, Madame Speaker. I wish to speak with strong reservations on this bill here. This bill was one of the landmarks of the Economic Taskforce from years ago. The intent of this bill was to stimulate business, and not to have permits being held for extremely long time and not acted on at all.

"I believe, Madame Speaker and Members, there is no excuse for any committee not to take action on a permit that is before them. If there is a problem with the time, then there should be an amendment to this bill to extend the time that they will need. But to say that they are voluntary, Madame Chair, practically every commission that we have is voluntary. They take it upon themselves as a responsibility, to act on the particular item before them. It is either an aye or nay. I don't believe they are asking the respective commissions to vote for an aye. What they would want is an answer. No answer, with this bill here, not to take any action, would be a nay. That is unfortunate, Madame Speaker.

"So again, I hope that as this bill moves on to the Senate, and that if you have a problem with the time, that you will extend the time and correct the problem, the perceived problem, that we have now. Thank you very much, Madame Chair."

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

"I rise in support, Madame Speaker. The automatic approval law is flawed. Unfortunately it has been manipulated and twisted for special interests, and it has not been implemented correctly. I want to give you a case in point.

"In Waimanalo, Gloria Bridal Chapel applied for a liquor license. The Liquor Commission is made up of five members. One member didn't show up. A second member recused himself. That left them with three members. Two voted yes, and one voted no. They took the position that they were unable to act on this, and they issued a liquor license.

"In my humble opinion, they misinterpreted this law. We are dealing with economic stimulation versus lives here. A liquor license in Waimanalo. As you all know, there have been two recent deaths because of drunk driving. That is the policy issue here that we have to weigh. Based on that, I'd ask Members to support this measure. Thank you."

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

"Thank you, Madame Speaker. I would like to speak in strong support of this bill. The concerns that I have heard from the proponents of this bill are concerns for our environment. And I realize in times of economic instability we need to try and speed up programs that will provide more support to our economy. But I don't think that our environment should be sacrificed for economic development.

"There are problems, obviously, as my colleagues have stated, with the timing of these projects going forward and I think those are problems that need to be addressed possibly in a different way. But granting automatic approval is not the answer. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I rise in support. I would just like the record to reflect the words of the Speaker Emeritus from Maui. I think the points that he made are germane to this argument. I think it is important for the folks who are volunteering on our boards and commissions to understand the role they play in the process regarding land use decisions and the need for timely decisions.

"The Speaker Emeritus is correct. Back in 1988 [1998], this came out of the Economic Revitalization Taskforce. The reasons generating this particular measure and the Act at that time, was the inability for us to move ahead on certain decisions, whether it is land use development, conservation, or re-designation of ag lands. And because of that, it cost time and money for various developers in the commercial area, real estate area, and also housing area.

"We established this Act back in 1998 and I believe his points are well taken. I believe this also will illustrate further that those who will chose to serve on the boards and commissions do so with the understanding of the tremendous responsibility they have for all of us. Thank you."

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

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

"Madame Speaker, in opposition. And I appreciate the Republican Floor Leader for bringing this bill to our attention. This was one of the signature achievements of the Economic Revitalization Taskforce headed by the previous Governor involving many people in this Chamber, including the Representative from Wahiawa. They were part of the effort. The Speaker Emeritus was also part of the effort. It just seems that the minute that our esteemed previous Governor leaves, the accomplishments and reform measures that he pushed are threatened, and laws are put forward to reverse those steps.

"I take you back to the days of 1997 when a serious problem in our economy, one of the reasons our economy has been moving slowly is we were regulated, and we had government bodies that took forever to make decisions that were important for the future of this community. The Revitalization Taskforce correctly recommends that we have a time limit on these decisions and that we act within a certain period of time. I have always been mystified as to why this is any kind of a problem. It is just a prompt to get your business done. If you don't like the project, turn it down. That is an opportunity you can do within 90 days. You can say no. The bill does not compel you to say yes. It just compels you to act within 90 days.

"Many projects were taking months, even years, and this reform was very necessary. This Body pulled together to pass it. Many of the same faces are here right now that voted to pass this very important reform, the Economic Revitalization Taskforce. The minute the previous Governor leaves, we just turn around and reverse this stuff. Sad. We are going to see many more bills along this line. We should vote this down. Thank you, Madame Speaker."

At this time, the Chair announced:

"Members, before we continue on, we want to have the opportunity to make some introductions before they have to leave."

LATE INTRODUCTIONS

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

Representative Takai introduced, on behalf of Representatives B. Oshiro and Finnegan, a second group of 5th graders from Waimalu Elementary; their teachers, Mrs. Laurie Kameda-Doi and Mrs. Lisa Madela; and chaperones, Ms. Evelyn Mizusawa and Ms. Merle Arakaki.

Representative Arakaki, on behalf of the Okinawan legislators, Representatives Nakasone, M. Oshiro, B. Oshiro, Shimabukuro and Takamine, introduced 25 students participating in the Okinawan Student Exchange Program; and their chaperones: Mr. Nobuo Arakaki, Okinawa Prefectural Board of Education; Mr. Hiroshi Tamaki, Chinen Senior High School; Ms. Shihoku Ichi, Nishihara Senior High School; and Mrs. Lana Mito, DOE Student Activities Exchange Coordinator.

Stand. Com. Rep. No. 743 and H.B. No. 1029, HD 1:

Representative B. Oshiro rose to speak in support of the measure, stating:

"Thank you, Madame Speaker. I stand in strong support. I just wanted to clarify. I think people need to realize that one of the main testifiers and the main proponents of this was the Office of the Governor. She came in with strong support on this issue, because what she realized is that a lot of these decisions are a little more complex than people think. A lot of the reasons that they are not able to do it, just unilaterally deny something, is because they didn't have a quorum. So if you have no quorum, you can't approve or deny. You can just sit there and basically the permit gets approved.

"So the previous speaker, when he mentioned about the ability to deny. Sometimes, that is not even the case. Sometimes they don't even have enough staffing, and that is another problem as to why they can't even have proper consideration on the actual permit. And when you really look at what they are considering, you really should give them the ability to properly consider all of the evidence. Basically when you look at all the statutory provisions that are being referenced, it has to do a lot with zoning. Admittedly that is a lot of the discussion that people are talking about: 'economic stimulus.'

"But there is also additional provisions that people need to realize what we are talking about is coastal zone management, solid waste, waste water treatment, safe drinking water, air pollution, ozone layer protection, water pollution, non-point source pollution, noise pollution, solid waste management, solid waste pollution, special waste recycling, hazardous waste, underground storage tanks, asbestos, and lead. I don't know about anybody else, but if they want some permit for something like hazardous waste to get automatically approved because they couldn't make the deadline, then I don't know about economic stimulus, but that doesn't strike me as economic stimulus. That strikes me as something that the person or the authority that has this permit application before them should be

able to properly consider. For those reasons, I stand in strong support."

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

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

"Madame Speaker, I rise in support with some very strong reservations. I could agree with this bill if we could find a way to require members of boards and commissions to show up and to vote. The people who have applications deserve an answer, up or down. And if we could take personalities out of the approval process, because in the real world, too often an applicant is stymied by a regulator because she or he hasn't kissed that regulator's butt enough. And that is in the real world."

Representative Stonebraker rose in support of the measure with reservations, and asked that the remarks of Representatives Meyer, Souki and Fox be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

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

"Thank you, Madame Speaker. I am in support with reservations. Madame Speaker, there are problems with automatic approval, as been expressed. However we have a tendency at times, to cause the pendulum to swing totally in the opposite direction, and that has been indicated. We need to come up with some reasonable timeframes. 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. 1029, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PERMIT APPROVALS," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Fox, Jernigan, Marumoto and Meyer voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 744) recommending that H.B. No. 1361, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1361, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE MEDICAID PRESCRIPTION DRUG EXPANSION PROGRAM," passed Third Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos.: 1198, HD 2; 1285, HD 1; 248, HD 1; 1438, HD 2; 75, HD 2; 150, HD 2; 1029, HD 1; and 1361, HD 2 passed Third Reading at 11:02 o'clock a.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 745) recommending that H.B. No. 1532, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1532, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE CELEBRATION OF MARTIN LUTHER KING, JR. DAY," passed Third Reading by a vote of 50 ayes, with Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 746) recommending that H.B. No. 1572, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1572, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR DISABLED PERSONS," passed Third Reading by a vote of 50 ayes, with Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 747) recommending that H.B. No. 1159, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1159, HD 1, pass Third Reading, seconded by Representative Lee.

Representative M. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 1159, House Draft 1.

"This bill requires the ERS to pay interest on the retroactive amount due retirees whose pensions are not finalized within six calendar months following the month of retirement.

"Upon retirement, members are paid an "estimated" pension. After lump sum vacation payments are made and unused sick leave balances are reported by employing agencies to the ERS, an "interim" pension adjustment is made to increase the retiree's pension. The ERS will then review the member's entire work history to determine the retiree's average final compensation and to ensure that the retiree receives all membership service credits. Pensions are then "finalized" and an adjustment retroactive to the retiree's retirement date is made.

"Since the ERS and the retiree's employing agency are both responsible for the delays in the finalization process, retirees should not be penalized for overdue adjustments. In order to compensate retirees for untimely adjustments, House Bill No. 1159, House Draft 1, would require the ERS to pay interest on the retroactive amount due to retirees whose pensions are not finalized within six calendar months following the month of retirement.

"In addition, this bill would also authorize the ERS to assess the employing agency a late fee for each month of delay in reporting unused sick leave balances, lump sum vacation payments, and other pertinent information needed to finalize a retiree's pension.

"When your Committee on Labor and Public Employment heard this bill, members were shocked to learn that certain employees who retired in 1999 are still waiting for their paperwork to be processed. It is clear to me that there is a need

to take bold steps toward addressing the problems in processing retirement benefits.

"This bill is a creative proposal to require the other departments to process the paper work in a timely basis. For these reasons, I respectfully urge my colleagues to support 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. 1159, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 50 ayes, with Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 748) recommending that H.B. No. 1560, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1560, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF VESSELS BY THE DEPARTMENT OF LAND AND NATURAL RESOURCES," passed Third Reading by a vote of 50 ayes, with Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 749) recommending that H.B. No. 662, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 662, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII SPORTS HALL OF FAME," passed Third Reading by a vote of 44 ayes to 6 noes, with Representatives Blundell, Ching, Fox, Halford, Jernigan and Meyer voting no, and Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 750) recommending that H.B. No. 391, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 391, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, on Standing Committee Report No. 750. In opposition. Madame Speaker this is another of the bills, "the previous Governor is gone, let's reverse the reforms that he fought fo" bills. We are talking about the need to improve the Public Employees Health Fund. This is a very, very, serious issue.

"We are facing a billion dollar liability in less than ten years and the bill would delay the process of implementing the solution, the effort, to solve the problem of the large cost that we face in the future as a result of our unfunded liabilities for health care. My understanding from talking with the people who are involved with this process is that they've approached it with a new seriousness. They are moving along smartly. There is a lot of coming together in consensus on how to move together on this issue. On that basis there is no need to further delay the issue. We can start seriously addressing our unfunded liability in healthcare with the group that is already

meeting and already acting, and we should vote this down and move ahead with reform. Thank you, Madame Speaker."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I stand in strong support of this measure. Madame Speaker, I would like as that the record reflect the words of the prior speaker, as far as his articulation of the reasons for his position, but not for his voting no.

"This is an important issue before us. We are addressing the unfunded liability for the Health Fund, but I think I need to spend a couple of minutes, just to inform the Members of this Body of the current status the Employer Union Trust Fund. The good news, Madame Speaker, is that last week Friday, we had a informational briefing upstairs from about 9 to 12 and most of the members of the Labor Committee were present.

"Before us we had Mark Fukuhara from the Employee Union Trust Fund, we had the Representative from the Public Employee Health Fund. We had someone from the Budget and Finance Office. We had Marion Higa from the Auditor's Office. And we had the representatives from the Attorney General's Office. The good news, in a nutshell Madame Speaker, is that the Employee Union Trust Fund is poised at this point in time, to make a decision on the Employer Union Trust Fund, and that probably will be tomorrow when they meet when they finally settle on the plans of moving ahead to go and finally break free of the current Public Employee Health Fund.

"This bill was just put out there and we need to move it along, just in case, Madame Speaker, that the board does not have quorum or does not make a decision by the March 15th drop-dead date. That is the purpose of this measure in place. It is in no way, and should be interpreted as going back to the Public Employee Health Fund. It is only there as a stopgap measure in case there is no decision making tomorrow."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 391, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Third Reading by a vote of 40 ayes to 10 noes, with Representatives Blundell, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses and Pendleton voting no, and Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 751) recommending that H.B. No. 389, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 389, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I wanted to speak on Standing Committee Report No. 751, HB 389, HD 2. This is dealing with family leave. I wouldn't have a problem with this if it was just for government workers. But this extends out to the private sector. Again, I look at this as putting another burden on small businesses and I will be voting down. I was looking at some testimony by the Chamber of Commerce, and I just wanted to read a couple of paragraphs. They said:

First, this bill will underscore Hawaii's reputation as being anti-business. This bill imposes unwarranted interference

into an area that has always been subject to wide management discretion. In these times of economic distress, Hawaii must be very cautious to avoid placing undo restrictions on employers doing or seeking to do business in Hawaii.

We are deeply concerned with the tendency of our State Legislature to add more economic and administrative burdens. We oppose this measure because it unnecessarily increases the cost of doing business in Hawaii and is in conflict with the State and federal law."

"They continue on saying:

Mandating that employees be paid for leave taken pursuant to the Hawaii Family Leave Law. Chapter 398, HRS imposes a real cost on employers to pay for absences unrelated to their own employee's illnesses and inability to work. It in affect, mandates paid time-off for reasons not approved of by the business. No one can predict the financial consequences of so sweeping a mandate as well intentioned as it may be.

"That is really my concern. I know that as it's been amended, it no longer covers small businesses, businesses with under 100 employees. But still it is tampering with private sector. Our businesses are struggling. They are already under a great deal of financial pressure with other laws we've passed such as the Prepaid Healthcare Act and our 4% excise tax, which is something that no other state has. So I just feel that we are moving in the wrong direction when we lay another brick on their back. So I would encourage my colleagues here in the House to vote no on this measure."

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

"I rise in support. The previous speaker was correct that this does not impact small businesses, and it only impacts businesses that have 100 or more employees, which accounts for only 2% of all businesses in Hawaii. My point is that family is important, and this bill allows people to take care of their family members. That is part of the problem with society that we don't take care of our family, or stress family values, and this does exactly that."

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

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

Representative Jernigan continued, stating:

"Also for the record, I am in support of the belief that this is a very well intended bill, but it has flaws. Currently, there are businesses that voluntarily give their employees sick leave. I am concerned that due to the added cost that this bill will create that they will retract those voluntary benefits and create a hardship on those people in private industry, the employees of the businesses in private industries."

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

"Thank you, Madame Speaker. I rise in opposition. Madame Speaker, will the author of this bill yield to a question?"

At 11:10 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:19 o'clock p.m.

Representative Bukoski rose and stated:

"Thank you, Madame Speaker. I'd just like to thank the Representative from Wahiawa for answering my question. I still stand in opposition although I believe this is a well intentioned bill. It will put undue liability on existing businesses and, as I understand it, in current law it already provides for voluntary use of sick leave upon agreement by both employer and employee. So this basically ties the hands of the businesses and I think it will be pretty bad for businesses. So for those reasons, I stand in opposition."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, in strong support. Among other things, HB 389, HD 2, will clarify Hawaii's Family Leave law. By, number one, revising the definition of employer to include the State, its political subdivisions and instrumentality of the State or as political subdivisions. In other words, the employers of the State and the counties.

"Number two, requiring all employers who provide sick leave to permit an employee up to ten days of employee's accrued and available sick leave for family leave purposes.

"Number 3, provide that the definition of sick leave not to include temporary disability insurance benefits or TDI benefits.

"Number four, provide the employer not be required to diminish the accrued sick leave below the amount required under the temporary disability insurance law.

"Madame Speaker, the State of Hawaii has long been viewed as a leader in the establishment of progressive social policy in the United States. One such law that Hawaii took the lead in was Act 328, Session Laws of Hawaii 1991, the Hawaii Family Leave Act, which preceded the National Family Leave Act by a year. Under this law, employers who employ 100 or more employees for each working day during each of the 20 or more calendar weeks of the current or preceding calendar year, must provide up to 4 weeks of family leave during any calendar year upon the birth or adoption of a child, or to care for the employee's reciprocal beneficiaries, child, spouse, parent with a serious health condition.

"The Hawaii Family Leave Act has served as model for the Federal Family and Medical Leave Act of 1993. This policy promotes stability and economic security of families as well as the national interest in preserving family integrity. Since the National Family and Medical Leave Act ten years ago, the complexity of family obligations in working families has grown considerably in terms of intricacy, intensity and scope. Hawaii's population is growing older, necessitating greater demands for long-term care and health insurance. The largest segment of Hawaii's workforce is female, the member of the family unit most responsible for childcare and other everyday task of many of Hawaii's families. These trends have been found in most every state throughout our nation.

"Earlier this Session, your Committee on Labor and Public Employment heard seven bills proposing amendments to the manner in which benefits are provided under the Hawaii Family Leave Act and other mandated programs. Each bill proposed a novel approach to finding the balance that is needed in law, and I would like to acknowledge the fine efforts of all

those who introduced measures in developing the conscious behind this bill.

"Madame Speaker, given the enormous impact any change to Hawaii Family Leave Act might have potentially on the cost borne by employers, your Committee on Labor and Public Employment was hesitant to recommend fundamental, systemic changes to the existing system at this time. But during the public hearing on these measures, your Committee learned that requiring self-insured employers to allow employees to use sick leave for purposes other than for their own illness or injury would result in those employers having to increase the amount of sick leave available for the employee to insure continued compliance with the temporary disability insurance law, the TDI law. In essence, Madame Speaker, this situation could potentially require the employer to provide paid leave for employees in addition to the amount of sick leave that is required under the TDI Self Insured Law.

"Let me give you an example. Say an employee has four weeks of accrued sick leave. The employee's spouse gives birth to a child, and the employee uses three weeks of accrued sick leave for family leave purposes. That will leave the employee with just one week of accrued sick leave. Now let's say the employee catches pneumonia and is unable to go to work. Under the TDI law, if the employer is self-insured, like the counties and the States and many large corporations, the employer must provide three weeks of sick leave for TDI purposes.

Representative Magaoay rose to yield his time, and the Chair, "so ordered."

Representative M. Oshiro continued, stating:

"If the employee is gone from work for a period longer than a week, the employer is required by law to provide paid leave for the employee in excess of accrued sick leave, up to the amount required under the TDI law, which in this case will be an additional two weeks. In my opinion, Madame Speaker, it was never the Legislature's intent when it enacted the Family Leave Law, to require employers to provide paid leave above and beyond what an employee had accrued and had available, and the amount of the leave an employee is entitled to under the TDI law.

"This situation could conceivably have dramatic fiscal implications for the State and county governments. So while the State and counties are currently exempted from the Hawaii Family Leave law, most, if not all the public sector employee contracts contain provisions that allow the use of accrued sick leave for purposes other than the employees' own illness or injury. As such, conceivably the public sector employer may already be required to provide paid leave above and beyond the accrued and available amount of sick leave authorized and provided under the Hawaiian Family Leave Act. In light of this Madame Speaker, I believe that HB 39, HD 2, will reduce the fiscal liability of all employers in the State and county in providing work benefits to workers by closing this loophole in the Hawaii Family Leave Act.

"Since reporting this measure out, I have spoken to many private sector employers who raised concerns about this bill. Even the Chamber, NFIB, and other small employers. They pointed out that this is anti-business. That given the state of our economy, that this will be an additional mandate on the business community. As stated earlier Madame Speaker, while this measure was reported out of the Committee, it was not your Committee's intention to recommend fundamental systemic change to the existing system. In my view, this bill changes very little from the existing situation for employers and employees.

"The bill once again, will apply only to those businesses that already provide sick leave to employees. If an employer does not provide sick leave for employees, this law will not apply. Only accrued sick leave, up to ten days per calendar year, may be used for family leave purposes. In other words, if the employers only has five days of accrued sick leave the employee may use only five days of accrued sick leave for family leave purposes. Most importantly, this bill will eliminate a conflict in law that could have required employers, including the State and the counties, to provide paid leave above and beyond what an employee has accrued for family leave purposes. Again in my view, this was never intended by the framers of the Hawaii Family Leave Act and the situation will be addressed in this measure. Madame Speaker, despite what you heard, I believe this is a good bill because it is fair, it is well thought out, and most especially Madame Speaker, as I was reminded by my colleague from Ewa Beach, this is pro-family. Thank you."

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

"Thank you, Madame Speaker. I rise in strong support of the measure. Madame Speaker, in the beginning, I'd like to note my appreciation to the Chair of the Labor Committee for the work done on this measure and for bringing it before our Body. Certainly as indicated by the Representative from Waimanalo, the impact on this measure would apply to roughly 600 or so of the largest employers in the State of Hawaii. That is from the total of employers of in excess of 2800.

"And I think that is important because while there have been references to an additional burden, an additional brick being placed on the businesses, it seems as though in our discussions with the business community, there has been references by the businesses themselves. These larger employers many of them would probably be the more respected and the more successful employers in the State of Hawaii. Many of them, especially the enlightened ones, have recognized that their most important asset is their workers. And in these cases, especially today when we see in the media day after day, families either with special circumstances, a child being stricken by cancer or a catastrophic illness for a parent, these are all of the considerations that led to the Family Leave Law in the first place.

"In Hawaii, it is a fact of life that so many of the families are where two parents are working. It does very little, limited time to address the concerns of the children and to address the concerns of the family. That is why I appreciate so much the Labor Chair's providing for this opportunity when some flexibility can be provided to allow families to address those special needs that come up. I think if we are going to be promoting healthy families, if we are going to be promoting healthy communities, economically or otherwise, then part of that has to be allowing families to care for these special needs. That is critical. I believe this measure does provide that kind of support and therefore I will be voting in favor. Thank you."

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

"Thank you, Madame Chair. I would like to rise in support of the measure. As you are aware, our Women's Caucus introduced several bills on this issue, and I appreciated the kind words of the Chair of the Labor Committee in recognition of those bills that we put in.

"Madame Speaker, I feel so strongly that this is the right step to take. What we are doing is asking those businesses that employ a hundred or more employees to allow an employee to

use up to only ten days of sick leave that, that employee has accrued, in the case of a serious health condition of a family member. I'd like to just translate this into reality for the Members here.

"My oldest son, Dave, was going through chemotherapy and radiation in Colorado, where he lives with his wife and two daughters. The care that he required during that extensive period of time was 24-hour care. Every two hours he was either vomiting or having to take a medication, having to have his nutrition put through a shunt in his chest, and it was just around the clock care.

"I flew back twice Madame Speaker, to be with him and to help give his wife some respite time. The first time I was there I think for ten days. The second time when it became even more serious, I flew back and stayed, I think it was maybe up to three weeks. The time is really a blur. At the end of that time he rounded the corner and has since been given a clean bill of health, at this point, which we hope will continue for the rest of his life. Madame Speaker, there was no way that family could function without having this kind of support and help. I don't know whether or not they have a family leave bill in Colorado, and actually both of them are self-employed in the high tech field which makes that a whole different situation. But when you look at the extent of the care that was needed and the spouse will be there for her husband, or the husband will be there for his wife. That will take precedent.

"We can't leave people without some access to some form of payment, their wages that they have earned in the term of sick leave. It is sick leave that they have accrued. That ten days of pay will help get them a little bit further but when they are in a life disaster such as this, we have to help those families. I am sorry, I get somewhat emotional about this but it is helping people.

"It is helping our people here in Hawaii, and it is a very small step. Ten days is nothing like a six-month situation which you many times will have with a very serious health condition. I think if we step back from it being a business issue or non-business issue, and step back and look at it just in human terms. Look at yourselves. What would you do if someone in your family were hit with cancer and had to go through serious treatment. You'd be at home for them. How would you pay the rent? How would you be able to put food on the table for your children? Those expenses don't stop. This bill just takes one small step of saying we will help you if you work in a company with a hundred or more employees, and we will help you for ten days. It is a 'baby step' but at least it is a step forward, and I think that we all should support this. Thank you."

Representative Bukoski rose to respond, stating:

"I apologize. In brief rebuttal, and with all due respect to the Representative from Kailua. The existing law already provides for the company owner or the employer to allow for ten days family leave to be used from the sick leave that has been accrued. So again, the Chair from Finance made a very good point, and I believe that all companies and employers would agree that their most valuable assets are their workers. But the point here is to allow those companies and business owners to make those decisions for themselves, and to allow them to offer these benefits to the employees without government getting involved and mandating that these business owners and employers must do it, as oppose to can do it. So for those reasons, I continue to stand in opposition."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 389, HD 2, entitled: "A BILL FOR AN ACT RELATING TO FAMILY LEAVE," passed Third Reading by a vote of 46 ayes to 4 noes,

with Representatives Bukoski, Jernigan, Meyer and Ontai voting no, and Representative Herkes being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 752) recommending that H.B. No. 155, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 155, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I stand in strong support of this bill, on 752, pineapple research appropriation. Madame Speaker, have you ever taken a drive to Haleiwa lately? You notice those wide open spaces? The reason they exist there instead of housing as in Waipahu, Ewa fields in the Central Oahu, it is because we are remaining competitive in the pineapple market. We are still growing the best pineapple in the world despite the fact that it is very expensive to do business in Hawaii in that ... Excuse me. I have a pineapple flavored jellybean in my throat.

"Madame Speaker, we have to continue to fund research and development of our number one product. We, who must recognize that the world looks at Hawaii and says, "Hey, that is the Pineapple State. That is the pineapple country." If they don't know that we are a state of the United States. The pineapple that we have grown is still the best. What we need to do is to make sure that it will be the best by providing much needed research.

"What is being called for here is a partial amount that the State should provide as their share, in addition to the amount that is being spent by the industry in research. They are trying to make sure that our pineapple does not succumb to the diseases like the fearful nematode that comes from the ground and eats up that sweet, sweet Hawaii pineapple.

"You know that pineapple taste really good with *li hing mui* powder and I think that if we continue to grow this ... My mouth is watering. This pineapple in Hawaii, we will continue to have these open spaces. That is the connection that I am trying to make. That we have to preserve these wide open spaces and if funding pineapple research is a way to accomplish that Madame Speaker, I think we should devote that money, much needed money, for that. Article II, Section 3. It is our duty to preserve agriculture land. Thank you."

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

Representative Moses rose in support of the measure and asked that the remarks of Representative Sonson be entered in 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. 155, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PINEAPPLE RESEARCH," passed Third Reading by a vote of 50 ayes, with Representative Herkes being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1532, HD 2; 1572, HD 3; 1159, HD 1; 1560, HD 1; 662, HD 2; 391,

HD 2; 389, HD 2; and 155, HD 2; passed Third Reading at 11:43 o'clock a.m.

At this time, the Chair announced:

"Members, we are almost at 12:00. I'm not going to take a break for lunch until we get through a certain number of pages. I'm not going to tell you what page. That is so you can speed it up a little bit more. That is a surprise.

"Let's move on with the speed a little more, because by my calculation, we should be done by 11:45 p.m. if we go at this speed. The 12:00 deadline is not a mandatory one. We don't have to keep to that deadline. We want to get out by 4:00. Let's move on to page 5."

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 753) recommending that H.B. No. 380, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 380, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 754) recommending that H.B. No. 382, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 382, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 755) recommending that H.B. No. 523, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 523, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. On that measure I stand in strong support. The purpose of this bill is to allow agriculture tourism activities to be conducted in agriculturally zoned districts. Madame Speaker, you know there is a companion bill in the Senate, but it didn't make it.

"I believe that what we have done in the House is something very important because just about two weeks ago, I just came from Texas and attended a summit together with my counter parts all over the United States about agriculture. The question was about agri-tourism in Hawaii. I have nothing to be proud of but I know that we are doing it, but we should be the leader. In other states, they are doing that and they did mention to me that this is really helping their economy of their state. So for that reason, I believe very strongly that there is a need for this measure. Let me explain further because there are some concerns, but I think we did address some of the concerns.

"Your Committee on Agriculture supported this bill Madame Speaker, because it would give working farmers or participating facilities opportunities to diversify and expand their farming or ranching operations. Again, there are concerns of course that this law would further open the door for more activities to develop for the agriculture districts that have nothing to do with agriculture farming. That is the concern that they have. But I believe that the language has been incorporated in the amendments in HD 2, to address these concerns.

"The amendments in HD 2 set the perimeters to ensure that agriculture activity farming or ranching remains the primary purpose of agriculture lands. That agriculture-tourism is accessory and secondary to the principal agriculture use.

"I have some further comments on this measure Madame Speaker, but in the interest of time, I just would like to ask the Clerk to incorporate them in the Journal," and the Chair "so ordered."

Representative Abinsay's written remarks are as follows:

"Madame Speaker, I rise to speak in strong support of Standing Committee Report No. 755, H.B. No. 523, HD 2 – Relating to Agricultural Tourism.

"The purpose of this bill is to allow agricultural tourism activities to be conducted in agricultural zoned districts.

"Your Committee on Agriculture supported this bill, Madame Speaker, because it would give working farmers and processing facilities the opportunities to diversify and expand their farming and ranching operations.

"There are concerns of course that this law would further open the door for more activities to develop on agricultural districts that have nothing to do with agriculture operations or farming. This is a valid concern. However, the amendments incorporated in HD 2 contain language that sets the parameters to ensure that agriculture activity – farming and ranching – remains the primary purpose of agricultural lands.

"Madame Speaker and colleagues, this is a good bill and a worthwhile effort for this Body to undertake. The Senate companion bill was held in Committee, so this is the only vehicle we have right now to push this issue forward. I urge your support in passing HB 523 HD 1 for Third Reading. Thank you."

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

"I rise with some reservations. Farming is difficult business and this is a small way we can help farmers supplement their income and keep ag viable. However the challenge is making sure that the activity is accessory and secondary to the primary ag use. The devil is in the details and in the enforcement of this provision, and that is what I am concerned about."

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

"I rise with reservations, Madame Speaker. The desired outcome is to keep ag land in agriculture. It may take a creative approach, but I hope that what passes today will not lead to abuse."

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

Representative Kaho'ohalahala continued, stating:

"The only other area of concern that I have Madame Speaker, is that while I support agriculture farming within my district wholeheartedly, my islands are rural communities of which farming is very important in our day-to-day lives. I think that this may have some unintended consequences as a result. One is that while they are deemed to be accessory and secondary to farming, what is going to be real is that the impact to these areas, if they are becoming tourist destinations will have major impacts like that of automobiles, parking, numbers of people and then that in itself Madame Speaker, becomes an unintended consequence. And I think we need to deal with those issues up-front before we move into this area wholeheartedly without those consequences."

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

"I rise in strong support of this bill. Have you ever taken a drive to Haleiwa lately? This is the kind of attraction. I am going to describe to you what happens there. The kind of attraction that this bill will promote. This is not a bill that will replace agriculture with tourism. This is using our agriculture land to educate our tourist who comes here regarding what we are producing, how we produce them, and how they should try to bring this to their homes and how important it is to bring their families to come and get educated on the agriculture products that we grow.

"In Haleiwa they have a pineapple field, and in the middle of the field pretty much there is a parking lot, and in the parking lot you park your car and then you see a building. A building which is a education center and of course, a souvenir center. But the tourism part of the agriculture industry that is there in Haleiwa, is that it is mostly to show the tourist where pineapples come from. They don't come from trees you know. They come from those little bushes, those beautiful plants that do not obstruct your view of the sky. Wide open spaces. A lot of people wonder what pineapple is and why it comes in a can, and why they can't get it fresh. This is the kind of activity that we must promote.

"You know, talking about the economy, this is a great way to deal with it. Taking our strongest \$11 billion industry and try to incorporate part of that into our agriculture. And agriculture is something that we hold dear in Hawaii.

"Take the Big Island. There is places where you could go and take a trip. You ride these little carts. It is a train ride thing. Something gets pulled and you ride on these things and you see the plants, not just the coffee, you see all kinds of varieties of plants in Hawaii. So it just takes you around and around and they charge for that. They make money. The people who are participating in this industry make money. Those bigger companies get to hire those other people who don't have jobs.

"So let's not fear the negative part of it. Let's focus on the positive part, and yes, I think we must keep in mind that agriculture land should be used primarily for agriculture. But I urge you all to please support this bill. Thank you."

Representative Abinsay rose to respond, stating:

"Madame Speaker, just a short comment. I was just hoping that this bill gets approved today and it is going to go through the Senate and eventually go into Conference. I'll make sure, together with my Vice Chair and members of the Committee, that we will consider the concerns of our colleagues. As I said in the very beginning, there is still some concerns, but I think

we have to get keep this vehicle alive to address the issue of agri-tourism. By the way, I would like to thank the Representative from Hilo for introducing 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. 523, HD 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL TOURISM," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 756) recommending that H.B. No. 997, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 997, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE INFORMATION," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 757) recommending that H.B. No. 1395, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1395, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL FACILITY PROJECTS," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 758) recommending that H.B. No. 1430, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1430, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I'd like to speak in strong support. This bill is again being offered in lieu of any proposal for community fluoridation, which is not being proposed this year. And probably not next year. And if another bill passes, maybe never. But it is dedicated to our children and our future and their future. So the question is not whether we approve of community fluoridation or not. The question is what are we going to do about our community's oral health problem which is reaching crisis proportion, especially with our children.

"Some have compared our oral health care in Hawaii to a third world country. If you're not familiar with oral health care in a third world country, it is the wealthy who can afford and have access to dentists and have their teeth drilled, filled and straightened. For all others, oral health care only means extraction of pulling teeth, or worse, just waiting until teeth rot to the point where they fall out. As your Health Chair, I'm ashamed to say that oral health care in Hawaii is not much different.

"Based upon the Department of Health, Dental Health Division, 1999 findings, among public health elementary school children statewide, children in Hawaii have tooth decay and baby bottle decay rates that far exceeds those documented on the United States mainland. On an average of 3.9 decayed teeth per child, the rate of dental caries among children ages five to nine in Hawaii is 2.1 times the last published United States national average of 1.9. Hawaii's dental caries prevalence rate is among the highest in the nation. The rate

among Hawaii's native Hawaiians is 4.2, and Filipinos is 5.5, exceeding a national average by 2.2 and 2.9 times respectively.

"Poor oral health among children and vulnerable adult populations is among the most widespread and pressing public health problems identified in Hawaii. Dental disease including tooth decay is Hawaii's silent epidemic affecting most Hawaii residents at one time or another. Tooth decay causes pain, loss of productivity at school and at work, extensive treatment and the risk of severe, even life threatening infection.

"Our children's oral health must be addressed because we have seriously failed our children and future generations with our neglect. H.B. 1430 will focus on underserved areas and populations, especially on the Neighbor Islands where private dentists and dental services are not accessible. For the sake of our children and their future I urge all of you to support this measure. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1430, HD 2, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY ORAL HEALTH," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 759) recommending that H.B. No. 1547, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1547, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I rise to speak in opposition to HB No. 1547, HD 2, Standing Committee Report No. 759. The purpose of this bill is provide public funding for candidates seeking office in the State Legislature, who are willing to conform to certain restrictions on campaign contributions and expenditures.

"Contributing to a political candidate is a way to exercise our First Amendment right, Madame Speaker. But this bill makes what should be a private preference, into a public obligation. Campaigns should remain privately funded because taxpayer dollars should only be used to advance the public interest, not to promote an office seeker in whatever agenda the candidate might support.

"Even worse this bill is deceptive. It only gives the appearance of removing special interest influence from elections. Madame Speaker, even though the candidate may no longer accept any contributions after being certified to receive public funding, political parties, political action committees and other special interests can still campaign on the candidate's behalf.

"Let us not make any mistakes. This is not true reform that the people want. We will still see the same TV ads and literature for the candidates. The only difference being instead of being paid for by the candidate, they'll be paid for by special interests acting on the candidate's behalf. I urge all my colleagues to vote no on this bill that gives many more taxpayer dollars to politicians and helps them 'pull the wool' over the voters' eyes. Thank you."

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

"Thank you, Madame Speaker. On H.B. 1547, HD 2, Standing Committee Report 759, I stand in support of this bill. This bill enacts the Clean Action Act to provide alternative public funding for candidates seeking office in the State Legislature who volunteer to abide by certain contribution expenditure limits.

"What this bill does is it looks and establishes the qualifications for public funding and also provides seed money for contribution of limitation on use of seed money. The beauty of this bill is that it requires the Campaign Spending Commission, in cooperation with the League of Women Voters, Common Cause Hawaii and other relevant stakeholders to conduct a comprehensive study of the campaign financing system in Hawaii and to report to the Legislature. What I'm saying by this is that, with our elections, we always depend on the League of Women Voters to look at what we do to be accountable and credible as far as election. So with their efforts to look into this and the proponents of this bill, I stand in strong support.

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

"Thank you, Madame Speaker. In opposition. The subject of campaign finance reform is a serious one and worthy of this Body addressing in the serious manner. We will, later on in the agenda, deal with the campaign spending reform measure that gets to the heart of the problem we have in Hawaii which is essentially the corrupt practice of contractors donating to the campaigns of people who then make the decisions on who awards contracts. It's long overdue that we clean up that dirty part of the process. However, this bill I think is aimed at the wrong end of the spectrum if we're talking about the influence of money on politics.

"Many of us are concerned about how presidential races are affected by large amounts of money. Senatorial contests, certainly races for Congress, governor, the large races, mayor. Those are the ones that are seriously affected by money. We sit in this Body, all of us, 51 legislators. We have a pretty good idea of how important or unimportant money is to the process of getting elected. I would posit that the level where it's least important is at the level of the House of Representatives. We already have a system in place to provide public support for people who are running for office at the House level. And so I think it's a little bit misguided to look at reform going down to the smallest election districts where money makes the least amount of difference in determining the outcome.

"However, one place where money does play a role in the outcome of elections is with these independent expenditures. They emerged in the last election as a very serious issue. Money raised, supposedly independent of the campaigns of individual legislators, and then spent primarily to defeat incumbents. This bill has no impact on those expenditures. Even though we talk about this bill as if it's a bill to deal with campaign finance reform and to take the influence of money out of politics, there's a gigantic loophole in this bill that allows independent expenditures to continue. And so this is basically a fraud and we should vote it down. Thank you."

Representative B. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, I stand in strong support of this bill. I'd just like to address some of the prior concerns. Some people had talked about the First Amendment and I actually find it very ironic that there were citations to the First Amendment without actually knowing how it works. Basically, if you're voluntarily complying with the program, and you voluntarily agree to the implications therein, your restrictions are not

anything you can object to because you're voluntarily complying with it. It's not the State imposing a restriction on you unilaterally. You're voluntarily complying. So I don't see the First Amendment argument.

"I do see it when it comes to the independent expenditures. But people need to understand that it's very difficult for a state or any regulatory body to impose laws on independent expenditures. If indeed the expenditure or the campaign material is being conducted without the authorization, approval or knowledge of the candidate, and it is being done solely by some independent source, how can we as a Body regulate it? That is clearly within the First Amendment. That's clearly within their right. We can't be telling some other organization, such as the Clean Elections people, what and when they can speak, and how they can do it. If they do it completely independent of the candidate, they have their freedom of speech right to make whatever kind of campaign materials or expenditures that they want. That is their right under the First Amendment.

"More specifically, when it comes to the argument that we are the Legislature and we're not really the ones being influenced, I'd just like to cite the *Honolulu Advertiser* article, dated February 1, 2003, and therein it said that lobbyists spent \$1.43 million in seven months last election, just to lobby this Body. That same Body that somebody else said that they don't really see why we need to clean up this Body. That basically, if you break it down between the 76 members, that's \$18,815.79 on each of us. That's how much just the lobbyist spent in the seven months. And that's not even counting the contributions ... "

Representative Fox then rose on a point of order, stating:

"Point of order. I believe the bill does not address lobbying."

The Chair responded, stating:

"Representative Fox, I think some of the Members opened the door for this discussion. Representative Oshiro, please proceed."

Representative Fox then stated:

"Madame Speaker, point of inquiry. I would understand if this bill dealt in some way with the subject of restricting lobbying, but it is simply not a matter of consideration in this bill. Campaign finance reform could indeed do something about lobbying and lobbying expenses, but it's just not in this bill."

The Chair responded, stating:

"Representative Fox, I think you opened the door for independent expenditures. It has gone from independent expenditures to this discussion. Representative Oshiro, please proceed."

Representative B. Oshiro continued, stating:

"Actually, I wanted to tie it in together when I got to the end of my statement. So, if there's \$18,000 being spent on each of us in lobbying, we all know that this isn't counting the campaign contributions.

"Now the overall perception that we are trying to really rectify is the idea of *quid pro quo* or the idea that if you contribute to a campaign then that will essentially get you some kind of favorable decision-making. With this bill, under the clean elections, under the publicly funded election, you get to totally do that. You get to make any kind of decision that you

want because you don't have to worry about the next election. Who is contributing to you and who is not. You don't have to worry about who contributed to you in the past and who does not. So when this lobbyist comes in and spends their \$18,000 on you to try and get you to vote for a bill or against a bill you can say, you know what, it doesn't matter because I'm publicly funded. I have no ties to anybody contributing to me, and that, that is what the bill is trying to achieve. Thank you very much."

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

"Thank you, Madame Speaker. A few brief points in support. First of all I think a legitimate question was raised about why we chose the Legislature. In previous discussions on this measure, there was a bill to provide for public financing for the City Council. And I thought a legitimate point was raised then because it seemed a little strange that we would be imposing this kind of a scheme on a legislative body other than our own. And I thought that, that advice was well-taken, and this is a place to experiment. We can jointly decide to impose this experiment on ourselves rather than on another legislative body. I think that's the most intellectually consistent way to go.

"I also want to reiterate what the Vice Chair of the Judiciary Committee said which is that there's going to be a constant struggle with the First Amendment as we search for ways to reform the campaign finance system. And to call the First Amendment, and what it provides for, a loophole, is problematic. But the problem with independent expenditures, we are all aware of and it is true, that this bill and any other bill on the calendar, is not going to address that because the Constitution allows for independent expenditures. So, I don't find it a very compelling argument to say this bill is no good because it complies with the Constitution.

"And finally, this scheme has been implemented in five states successfully. It's fine to talk about all of the little pieces of it and you can refer to section 5, line 12 and why it won't work, and why this is not constitutional, and why there's another loophole here or there. But the fact of the matter is this, it is actually already going on in five legislative bodies. The State of Arizona, the State of Maine, and other states have actually implemented this, and fully one-third of the legislature in Arizona was elected without any special interest money. And I think that's a noble experiment and something that we should pursue.

"And finally, I think that as we pursue this issue and others, that we should refrain from calling bills disingenuous, or a fraud, or anything like that. I think we should elevate the discussion and speak to the issues. But let's not call things fraudulent or silly or get personal, because then we can have a very high-minded discussion and one that does not anger the Members of this Body. Thank you."

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

"Thank you, Madame Speaker. I rise in opposition to this measure. I noticed that the previous speaker talked about this as a 'scheme', and it does in some ways seem like a scheme. I know that other states have passed laws like this. I had the pleasure of going to a legislative conference in San Diego in October. No it was in November, just after the last election. There were at least four legislators there from Arizona and they made impassioned speeches about, beware, do not pass clean election laws. To a number, each one of those legislators said that it was the dirtiest campaign they had ever been through and these were senior members of the Arizona Legislature.

"I believe that this loophole that allows the independent expenditures is a very serious matter. The person who takes this public funding and abides by it can get somebody else to do their dirty work, at arm's length away.

"In the last, previous election, I think many of us felt that we were attacked from a similar kind of thing, an independent committee, that sent out 'cookie cutter' type brochures that were as negative and as far off the mark as they could be. And our opponents to say that we had nothing to do with it. I didn't know anything about it, when their names appeared in bold letters across these brochures. You'd have to believe in the 'tooth fairy' to think that they knew nothing about it.

"Now if we're going to call this, which we are not today, but we have in the past, called it Clean Elections, I think we should get rid of this type of a loophole because we know from experience, from other jurisdictions, that they had some very, very negative campaigns dealing with these candidates that were taking public money, taxpayers money. And I might add taxpayers that didn't, quite possibly, didn't support their candidacy. Thank you, Madame Speaker."

Representative Moses rose to respond, stating:

"Thank you, Madame Speaker. I am rising for the second time in opposition. To the previous comments about the First Amendment, I want to just state that as a Member who has served in the Armed Forces for over 25 years, over half of my life, putting my life on the line for the First Amendment, I think I understand what it is all about.

"When I refer to the First Amendment, I didn't talk about us as legislators. There's people out there. Those are the people who put us here. Individual people on the street. They have a First Amendment right too. And their First Amendment right is to contribute to anybody they darn well please. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1547, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Fox, Jernigan, Leong, Meyer, Moses, Ontai and Stonebraker voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 760) recommending that H.B. No. 1506, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1506, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR ISPED CLERK TYPISTS," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Bukoski, Jernigan, Meyer, Ontai and Stonebraker voting no.

The Chair directed the Clerk to note that H.B. Nos.: 380, HD 1; 382, HD 1; 523, HD 2; 997, HD 1; 1395, HD 1; 1430, HD 2; 1547, HD 2; and 1506, HD 1; passed Third Reading at 12:11 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 761) recommending that H.B. No. 403, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 403, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES'

RETIREMENT SYSTEM," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 762) recommending that H.B. No. 554, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 554, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 763) recommending that H.B. No. 50, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 50, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. In opposition to Standing Committee Report No. 763. This is another measure to roll back the reforms that were adopted under the previous Governor. This one again directly relates to the Public Employee Health Fund and would take away the flexibility that the reformers were looking for when they passed this measure originally.

"It's going to be very difficult to bring the cost of the Health Fund under control and the flexibility that they were looking for in this area is flexibility that we ought to continue. Especially, as we heard from the Chair of the Labor Committee, that the group is actually very close to coming to agreement on how to move ahead on the Health Fund. It seems like a real mistake to go back and try to put in place the previous system for handling retirement, when the new scheme may need to look at that in a different way. Thank you, Madame Speaker."

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

"Yes, Madame Speaker. Thank you very much. I wish to speak in favor of this measure. Madame Speaker, prior to speaking on this measure, please note that I'm a recipient of the State Retirement program," and the Chair ruled, "no conflict."

Representative Souki, continued in support of the measure, stating:

"Thank you very much, Madame Speaker. First of all, I want to congratulate the Chairmen of both the Labor and Finance Committees and leadership for passing this very important bill out. I believe that this bill restores the integrity of the Legislature.

"Madame Speaker and Members, we all know the history of this bill. Years ago, when the retirees, the current retirees, came in as government workers, willing to work for the government with the understanding that after they retire, they will have the health benefits for themselves and their spouses. And it was a moral contract that was made at that time.

"Last year, I think we did a disservice to the retirees by breaching that moral contract. I believe this bill here will redeem the Legislature in keeping up with the contract that they've made, the moral contract they have made, with the retirees of years past that have worked so hard for this State here and all these years. I think we should congratulate the Members who will vote for this measure. Thank you."

Representative Hale rose to disclose a possible conflict of interest, stating:

"I would like to declare a possible conflict too. I am a retiree of the State Retirement System," and the Chair ruled, "no conflict."

Representative Hale continued in support of the measure and asked that the remarks of Representative Souki be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"Madame Speaker, I would like to declare a potential conflict also. I am a retiree," and the Chair ruled, "no conflict."

Representative Kawakami continued in support of the measure and asked that the remarks of Representative Souki be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"Same conflict," and the Chair ruled, "no conflict."

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

"I'm a retiree," and the Chair ruled, "no conflict."

The Chair then recognized Representative Shimabukuro, stating:

"Representative Shimabukuro, you are not old enough to declare a conflict."

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

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

"Thank you, Madame Speaker. I am rising in opposition. I'm also a retiree, but not from this State. Madame Speaker H.B. 50, HD 2 seeks to undo those recent changes made to the Employees Retirement Health Fund, especially those changes made in regard to new employees. We're talking about new employees here. Those changes were not made lightly. They're made only because actuarial analysis showed that future Health Fund costs were beyond the ability of the State or the counties to pay.

"You know Madame Speaker, deviating from my written words, I hate to promise something to anybody and not be able to deliver it. I made a point of that with my children when I raised them. When I tell them I'm going to do something, I do it. Here, I don't think we can do it. As I said, those changes weren't made lightly. Have things improved since then? Is the State's economy better now than it was in 1997? No, it's worse.

If we couldn't afford these costs then, we can't afford them now. We certainly can't.

"We have heard testimony in Committee that there is not enough money for our children, for books, for schools, for libraries and for our Neighbor Island hospitals. We in the Legislature have a duty to be fiscally responsible, to preserve the health of the State and its citizens. Sometimes that is a painful duty when the reality of our economy does not allow us to be as generous as we would wish. But is now our duty nonetheless. We cannot make the money that we need magically appear. The costs are no better now, than they were in 1997. Where's the State's economy.

"If we pass this bill now, we will be forced to reenact these changes again in the near future. It is cruel to raise people's expectations and promise them things that we cannot provide. It is wrong to merely do this for temporary political advantage. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 50, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC EMPLOYEES HEALTH FUND," passed Third Reading by a vote of 42 ayes to 7 noes, with Representatives Blundell, Finnegan, Fox, Jernigan, Marumoto, Meyer and Moses voting no, and with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 764) recommending that H.B. No. 132, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 132, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in opposition to this measure. H.B. 132 requires the Department of Human Resources Development to retain records of public employee positions, wages, demographic characteristics and report to the Legislature on possible gender discrimination. It establishes the Commission to review the reports and other data and develop other recommendations to correct gender based pay inequities for the 2004 Legislature. I believe that implementation of this bill would mean duplication of effort and waste of scarce resources, since pay equity studies were conducted in 1987 and again in 1995, with no significant outcomes.

"This bill falsely assumes that it is possible to exclude all factors other than the sex of a State employee in determining whether the employee is being paid less solely on the basis of gender. The bill devotes resources toward a study that does not have any measurable benefit. And for those reasons I cannot support it. Thank you, Madame Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 132, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC OFFICERS AND EMPLOYEES AND EMPLOYMENT PRACTICES," passed Third Reading by a vote of 47 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 765) recommending that H.B. No. 510, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 510, HD 2, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Third Reading by a vote of 36 ayes to 13 noes, with Representatives Bukoski, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no, and with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 766) recommending that H.B. No. 553, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 553, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 767) recommending that H.B. No. 287, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 287, HD 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Tamayo being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 768) recommending that H.B. No. 316, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 316, HD 2, entitled: "A BILL FOR AN ACT RELATING TO UNIVERSITY PROJECTS AND PURPOSES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Tamayo being excused.

The Chair directed the Clerk to note that H.B. Nos.: 403, HD 1; 554, HD 2; 50, HD 2; 132, HD 1; 510, HD 2; 553, HD 2; 287, HD 3; and 316, HD 2; passed Third Reading at 12:21 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 769) recommending that H.B. No. 377, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 377, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 770) recommending that H.B. No. 378, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee

was adopted and H.B. No. 378, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 771) recommending that H.B. No. 379, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 379, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 772) recommending that H.B. No. 381, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 381, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 773) recommending that H.B. No. 383, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 383, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 774) recommending that H.B. No. 384, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 384, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I would like to declare a possible conflict. I am an employee of Wahiawa General Hospital," 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. 384, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR NOT-FOR-PROFIT CORPORATIONS THAT PROVIDE HEALTH CARE FACILITIES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 775) recommending that H.B. No. 1434, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee

was adopted and H.B. No. 1434, HD 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 776) recommending that H.B. No. 1175, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1175, HD 2, pass Third Reading, seconded by Representative Lee.

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

"I rise in opposition to Standing Committee Report 776, HB 1175, HD 2. This measure follows up on HB 289 that requires the Superintendent of Education to reorganize the Department of Education into administrative units serving school complex areas. This bill amends various statutes to reflect that there will be fifteen area superintendents, fifteen deputy superintendents and an unspecified number of assistant superintendents.

"My concern with this bill is that it does, in fact, add new positions, when we are already in a financial crisis. It also deletes the salary range for deputies and directs the Board of Education, rather than the Governor, to set their salaries. It appears to be another hurried attempt to pretend that there will be a decentralization of the educational system without a serious effort to really examine what would be the best for Hawaii.

"The *Star Bulletin* has editorialized that there should be a taskforce to determine what is best before passing a lot of laws that start setting what might be an inferior system into concrete. The *Advertiser* has also editorialized this week that if this bill and HB 289 don't represent a true commitment to allow greater decision-making and autonomy on the local level, it is merely 'shuffling deck chairs on the Titanic'. The process does not need to be rushed. Let's go back to the drawing board. Thank you, Madame Speaker.

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

"Thank you. I am standing in support. One of the major criticisms of Hawaii's public schools is that it's centralized and that it has a bureaucratic nature to it. The DOE has taken steps to address this concern by reorganizing itself to provide administrative support more directly to the schools and complexes within the department. This in turn, Madame Speaker, will provide faster more direct support and supervision to each principal.

"This bill codifies into law some of the job titles and administrative units associated with this reorganization, including specifying duties of newly established area superintendents. Madame Speaker, in addition, this bill also allows the DOE more flexibility in hiring Deputy Superintendents by directing the Board of Education to set a salary for Deputy Superintendents and repealing the statutorily mandated salary range for Deputy Superintendents. Through these measures the DOE will be able to provide more responsive administrative support to our individual schools. Thank you."

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

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

Representative Stonebraker continued, stating:

"And I'd also like to comment that we really do need actual reform, real reform, that makes changes rather than adding numerous positions that may or may not provide the reform that we need. Earlier Members, on page 5, we hired another 313 support staff, and right now we have over 2,600 employees on the roles on the central education system. That's 2,600. That's quite a bit.

"I think we need to look at the structure that we have now and consider maybe doing some real reform rather than throwing money at this situation. 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. 1175, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," passed Third Reading by a vote of 47 ayes to 4 noes, with Representatives Finnegan, Meyer, Ontai and Stonebraker voting no.

The Chair directed the Clerk to note that H.B. Nos.: 377, HD 1; 378, HD 1; 379, HD 1; 381, HD 1; 383, HD 1; 384, HD 1; 1434, HD 2; and 1175, HD 2; passed Third Reading at 12:27 o'clock p.m.

At this time, the Chair announced:

"Members, on page 8, we will take Standing Committee Report No. 779, HB 413, HD 2, out of order."

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 779) recommending that H.B. No. 413, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that notwithstanding the report of the Committee, that H.B. 413, HD 2 be recommitted to the Committee on Finance.

At 12:27 o'clock p.m., Representative Fox requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:33 o'clock p.m.

The motion was put to vote by the Chair and carried, and notwithstanding the report of the Committee, H.B. No. 413, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF ELECTIONS," was recommitted to the Committee on Finance, with Representatives Takamine and Wakai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 777) recommending that H.B. No. 282, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 282, HD 2, pass Third Reading.

Representative Moses rose and stated:

"Madame Speaker, I'm not sure that we passed through all of these bills. We jumped right to 779 when we turned to page 8. Are we still going to debate the rest of the bills?"

The Chair responded, stating:

"Representative Moses, we took it out of order. We took 779 first. So he's making the motion to pass the rest of the reports on page 8."

Representative Moses: "I want to talk on some of the bills on page 8, Madame Speaker."

Vice Speaker Luke: We're not there yet. Representative, do you need to take a recess? Representative Fox is he okay? Representative Lee, can you second that motion."

At this time, Representative Lee seconded the motion.

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

"Thank you, Madame Speaker. I stand in strong support on this bill. Standing Committee Report No. 777, HB 282. The purpose of this measure is to enable the Office of the Auditor to conduct financial statement audits and audits required under federal law for all of the departments, offices, and agencies of the State and counties. This measure also provides a mechanism to preserve the State's ability to maximize the underwriting of the audits from non-general fund sources.

"The State Auditor is the constitutional officer of the Legislative Branch responsible for conducting post-audits of all programs and expenditures. The Auditor ensures that the audits of State government, including financial audits, are independent and credible. The current practice which presently allows DAGS to be responsible for the external audits of the Executive departments and agencies, raises question about the independence of the auditing functions. DAGS selects contractor -- audit firms and auditors that audit the various departments, offices and agencies of the State departments. Therefore DAGS is no longer involved with the audit. The department then signs the contract with the contractor or auditor, is billed directly by the contractor or auditor, pays the contractor with monies that are appropriated to the department, works directly with the staff and management of the contractor, and reviews the final report from the contractor or auditor. In effect, the department or the auditee is a client of the contractor or auditor. This arrangement results in reduced independence between the department auditee, and the contractor or auditor. This bill corrects this flawed relationship and maximizes audit independence by finding responsibility for financial audits through the Office of the Auditor.

"The enhanced legislative oversight for the Legislature's own oversight entity will enhance the credibility and the validity of the State's financial audits. Approximately half of the State's internal audit costs are paid from federal, special, revolving funds, CIP, and the trust funds. And to prevent any loss of such funds, this bill, Members, also establishes a revolving funds in the Office of the Auditor, and authorizes the Auditor to expend monies from the revolving fund. The same model is used successfully in several other states.

"The audits which are supported by the general fund and are currently budgeted for in the respective departments, will merely experience a change in the expending agency. This measure will not increase the overall State budget. The net affect is no change in the overall expenditure for auditing, except for a one-time appropriation of seed money to the revolving fund to advance the cause of the federally funded

audits. The seed money is needed because federal funds are secured on a reimbursement basis.

"Colleagues and Madame Speaker, I stand in strong support because for us to conduct business in this Body of the Chambers, we need the Auditor to give us that accountability for every action that we look at for finding resolution or answers to our problems. This bill will help us to be more prudent as far as our judgment, as we look at all the departments that we have to oversee. And it also helps the Administration to have an external audit for independent accountability. Thank you."

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

"Thank you, Madame Speaker. I am rising in opposition. I am very happy that the previous speaker brought out the fact that there are certain federal funds involved and on the line for these audits. First of all, let me start with that I've long supported our Auditor. I have great personal regards for her. I think she has done a wonderful job. But I feel this bill goes a little too far.

"There are two types of audits: management audits and financial audits. In the area of management audits, the Legislative Auditor has proven to be most valuable. With Governor Lingle's willingness to act upon the Auditor's findings we will prove, and her findings will prove, to be more valuable.

"Financial audits however, are an administrative responsibility and in many cases, a legal responsibility. For certain organizations which receive federal monies such as schools, airports and highways, there may be a requirement that the agency heads certify the results of a financial audit. This may require that the audit be contracted for by the agency itself. For this reason, I suggest this bill not be passed in its present form. Departments should be allowed to contact for their own financial audits where such audits are necessary. Audits done by the Legislative Auditor, both management audits and even financial audits, where desirable, should be funded by the Legislature directly to the Legislative Auditor's office. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. In support with serious reservations. Madame Speaker, this bill implements the constitutional requirement that the Legislative Auditor audits all State finances. This has been a constitutional requirement since before Statehood. I find it amazing, incredible, that this core government function has not ever been implemented in the State of Hawaii. It's probably related to the dominant one party system that the State has had during that period of time.

"The audits of all State finances solves problems of credibility, integrity, in our financial system in spending our public money. In that regard, this is a very good bill. Perhaps the most important bill before the Legislature this year in its ability to bring credibility to the numbers that we deal with. Credibility to the numbers in the budget, and also to change our government culture.

"My reservations Madame Speaker, revolve around the way this bill is crafted. This Legislative Auditor is a legislative function and should be funded through the legislative budget. What this bill proposes is that we fund the Executive departments and then take some money back. I think it would be a lot cleaner, a lot less 'shenanigans' can go on in the future, if we just directly fund the legislative budget. This should have

been included in HB 1. That is specifically my proposal to improve this bill. I brought this issue up on Second Reading. Now I guess we would wait for the Senate if we are going to make that improvement.

"It is much cleaner for us to acknowledge that this is a legislative function, that we have a separation of powers that are built in to our government through our Constitution. It occurs on the federal separation of powers and the control of the 'purse strings' occurs on the federal level and the State level. Congratulations to this Body for finally considering implementing its legislative function, but let's do it correctly and fund it through our own budget."

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

"Thank you, Madame Speaker. Madame Speaker, I hold all my colleagues in the highest esteem and when I comment about a bill, it certainly has nothing to do with the people who wrote or worked on the bill. I am speaking in opposition to this bill.

"I do have to call this a very cute bill, and I apologize for using that term. What we are doing here is we are looking for funding for the Office of the Auditor to take care of some audits that are long overdue as both previous speakers have said. But instead of appropriating the money to fund the Office of the Auditor for the purpose of conducting these audits, we take the money out of the Executive Branch where it does fall under the line audit, that is what it says and where that money is located in the Executive Branch.

"But very importantly, that money is needed by the Executive Branch to do audits that are required by federal law or required by good practices. What we need is both the money in the budget in the general fund to do the audits that have to be done in the Executive Branch, and we need additional money to pay for the Office of the Auditor. Until we come up with that additional money for the Office of the Auditor, we shouldn't be passing bills like this. Bills like this without money appropriated by the Legislature in the legislative budget are not the way to go. So it sounds like a cute way to handle it, but it has a very destructive result and we should vote this bill down."

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

"Madame Speaker, I rise in support of this bill. The purpose of this bill is to restore trust in government and this is to ensure proper accounting of taxpayer dollars for our Executive Branch functions. As the Chair of the Legislative Management Committee just alluded to, the current situation creates an inherent conflict of interest. Because the Executive departments are allotted millions of dollars every year to go out and to contract private auditors, who then come back to the departments and audit the department that retains them in the first instance. This is the very conflict that we want to correct. We want to do it by transferring this audit function to the Legislative Auditor's Office.

"There were a couple of points made by the past prior two speakers and I would like to address both of them. First, the issue of whether or not the Auditor is precluded by law to conduct these kinds of financial audits. The fact of the matter is that this bill will change the law if there are any prohibitions on the Auditor conducting financial audits. In any event, the Auditor already conducts financial audits every year. She conducts approximately two or three financial audits over the Executive departments. So this bill, in effect, just expands her existing authority to conduct these kinds of audits.

"The second issue that was raised was the means of financing and whether or not an appropriation is made. An appropriation is required within the legislative budget. This bill addresses that very issue. It will basically allow the Auditor to assess the Executive Branch for the cost of the audits. These millions of dollars already exist within the Executive Branch. The Auditor will be to deposit these funds into an audit revolving fund, which exists under her office within the legislative budget.

"The bill also provides for an appropriation out of these funds for her to expend these dollars to conduct these audits. I think that we should be very concerned with restoring trust in government and with ensuring that our audits are done properly and done with integrity. We should not be concerned with who does the audits, but we should just be concerned that taxpayers be assured that their dollars are being spent wisely. Thank you."

Representative Halford rose to respond, stating:

"Thank you. Just to clear up one point. The money does not already exist in the Executive budget. It will exist only if we appropriate the money there. My suggestion is to just keep it clean. Appropriate the auditing money into the legislative budget, and not appropriate it at all to the Executive. To correct the misperception that the money already exists there. It doesn't, until we appropriate it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 282, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Finnegan, Fox, Meyer, Moses and Ontai voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 778) recommending that H.B. No. 1613, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1613, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I am compelled to speak in support of the measure. I'd like to say that the Mo'okini Luakini Heiau is a registered national historic landmark that is maintained by the present day Kahuna Nui and her name is Leimomi Mo'okini Lum. It serves as a bridge from the past to our future. She and her volunteer docents have developed specific programs for education of our young people on their rich cultural heritage. And these programs promote a greater understanding of ancient Hawaiian history, their religion, arts, the crafts, and the lifestyles through lectures, exhibits, and discussions when students visit the *heiau* on field trips. Especially on Children's Day held during the observance of *Ka Makahiki* in November of every year. Perpetuating the sacredness of this sight the Mo'okini Luakini and other sights mentioned in the bill is the purpose of this bill. And for these reasons I stand in strong support of the measure. Thank you."

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

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

"Thank you, Madame Speaker. I am rising in support of the measure. I would just like to note that this bill also identifies and seeks to protect Kamehameha's birth site. The figure that we all hold in very high esteem as the figure that brings all of the Hawaiian Islands together. So the bill also allows that the State acquire the lands around the sacred area of Mo'okini in an attempt to bring recognition to the programs that have been started by Leimomi Mo'okini Lum, as well as to give sanctity to the *heiau* and to the birthplace of Kamehameha."

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

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

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

Representative Souki continued, stating:

"Also I want to make another point I think that is very important. The Mo'okini was used as a sanctuary also. And King Kamehameha was in sanctuary at Mo'okini when they were seeking and looking for him to destroy the King. So I think it's a very valuable area to look at it in Mo'okini. I wish to congratulate the Finance Committee and the Water and Land Use Committee for passing this very, very important legislation. Thank you very much."

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

"Thank you, Madame Speaker. I rise in strong support of this measure. The Mo'okini Heiau is truly a magnificent historical site. I would encourage anybody who has not visited to do so. It is really a treasure. We went, about two years ago, when a legislative committee visited the Big Island. Mrs. Lum is to be congratulated. She has just done a remarkable job maintaining the site. A beautiful wall built around the *heiau* and I truly hope we can somehow have this become a reality because there is nothing like it in the world and we need to support our historic sites. Thank you."

Representative Kahikina rose in support of the measure, stating:

"Thank you, Madame Speaker. In strong support for this compassionate bill. I'd also like to request that the words of the Representative from Kauai be entered into the Journal as my own," and the Chair "so ordered." (By reference only.)

Representative Kahikina continued, stating:

"Madame Speaker, I do want to acknowledge the sanctuary and the purpose of this bill is to preserve that sanctuary. I also visited the site on Mo'okini when I was a member in Finance. Just the tranquility, the quietness, and the spirit that travels around the *a'ina* and of course Aunty Momi in her patience and love to perpetuate the culture and the education. It is something we need to do compassionately, through this bill, to keep that in preservation. Thank you."

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

"I am rising in support. This is one of those sites that is a State treasure and we must protect it. I will keep it brief, so I am in strong support of this."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1613, HD 2, entitled: "A BILL FOR AN ACT RELATING TO NORTH KOHALA," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 780) recommending that H.B. No. 78, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 78, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 781) recommending that H.B. No. 473, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 473, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 782) recommending that H.B. No. 925, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 925, HD 3, entitled: "A BILL FOR AN ACT RELATING TO ELDER ABUSE," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 783) recommending that H.B. No. 986, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 986, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DEATH BENEFITS OF SURVIVING CHILDREN OF PUBLIC EMPLOYEES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 784) recommending that H.B. No. 1429, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1429, HD 2, entitled: "A BILL FOR AN ACT RELATING TO A COMMISSION ON FATHERHOOD," passed Third Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos.: 282, HD 2; 1613, HD 2; 78, HD 1; 473, HD 2; 925, HD 3; 986, HD 2; and 1429, HD 2; passed Third Reading at 12:54 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 785) recommending that H.B. No. 1465, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1465, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 786) recommending that H.B. No. 193, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 193, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LANDOWNERS' LIABILITY," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 787) recommending that H.B. No. 49, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 49, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in opposition to Standing Committee Report No. 787, HB 49, HD 2. This bill will make it a traffic violation to use a cell phone while driving. I want to make it clear that you could use it if you are not holding it, so it is a hands free.

"I want to let the membership know here that in a recent study by the American Automobile Association, they analyzed 26,245 accidents, nationwide. The preliminary results show wireless phones are only slightly more distracting than turning up the air conditioner or smoking. Of distracted driver crashes, they found that 30% occurred when the driver was focused on something outside of the car; 11% was caused by shifting focus to the CD or the radio; 10.9% were the result of distractions by other passengers; 1.7% was the result of distractions from eating or drinking; and 1.5% were the result of distractions from wireless phone use.

"Several studies have been done on wireless phones used while driving. A summary of key studies can be found quite easily, but contrary to media reports, wireless phone use has not been proven to be a significant cause of accidents and most importantly, wireless phones are the only of these potential distractions that also serve as an important safety device. There is only one state that has passed this kind of a law and that was New York.

"I don't think we have to worry about the cell phones. It is distractions that we have to worry about. And this State already outlaws distracted driving. This statute currently provides an enforcement tool for irresponsible use of a wireless phone and also addresses reckless or careless driving due to other improper distracting activities.

"In a country where we hold our personal freedoms dear, the sound response is not to begin banning activities that take place in one's car. Instead we should best use the tools already at

hand. Enforce existing driving laws that are on the books. Encourage driver safety education. And both expect and demand drivers take personal responsibility for their actions while behind the wheel. For these reasons and others that I am not speaking about at the moment, I am very much opposed to this bill."

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

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

"Thank you, Madame Speaker. I rise in opposition to this. The determining factor for getting stopped on this, or getting penalized through this, is having a cell phone up to your ear. I think the mere fact of trying to dial a number would be more distracting than actually having a conversation on the phone, and for that reason I think this bill would need a lot more work before I would agree that it was a good bill, so I oppose this bill. Thank you, Madame Speaker."

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

"Yes, thank you very much, Madame Speaker. I wish to speak in favor of this bill. I believe this bill is an accident prevention measure, and it is working very well in New York City and in the State of New York where they have found it prevented accidents by more than 10% in looking at those pre and post using of hands free cell phones.

"Madame Speaker, it does provide also in this bill that for emergency purposes, you can use a cell phone. It does provide for truckers, policemen, and commercial equipment operators that they can use hand held. So there are exceptions in this bill.

"The major part in this bill is to avoid the continual distraction of driving and using one hand on the wheel and one on your ear. It does make for potential disasters. In fact, the State was held liable just recently for an accident where it caused a grave injury to someone from Canada. I believe they were killed in an accident from a person using a hand held phone. So to say this is not a distraction is questionable. I don't understand why we would want to speak against this. I think this bill would go a long way in providing the people of the State of Hawaii a degree of safety, both on the streets and in the car. Thank you very much."

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

"I rise in opposition. I think the fact that being distracted by a cell phone is only a part of that. What are we going to outlaw? Eating in the car? Talking to occupants? Disciplining the children? Where is it going to stop? Who has control over it? One of the speakers indicated having two hands on the wheel. Are we going to pass a law that requires the hands be on the wheels at all times? It might be more appropriate.

"I think it violates rights. It doesn't address the real issue of safety in the car in a broader perspective. It just takes a small portion of the activity in the car and makes it illegal. It is going to be very difficult to enforce. The fact that it has to be up to your ears doesn't seem to me like the appropriate way to address it. One of the previous speakers indicated that dialing the phone might be more hazardous. Does just having a wire going to your ear makes it legal? I think this bill needs some serious reconsideration so I am opposing it."

Representative Meyer rose to respond, stating:

"Thank you, Madame Speaker. I am rising for the second time just because I wanted to address some things that were said here. Another study that was done by the University of Utah and was published in November of 2001, from that study the indications were that they were no differences between hands free and hand held cell phones. The distraction is the conversation. By passing a hands free law we may be sending a message that talking on a cell phone while talking is safe and not distracting. Will that encourage people to talk more on hands free devices? Worsening the problem? It is not the holding the phone. It is the engrossment in the conversation. But we also have that when we have passengers in the car. So I still think this is a great infringement on freedoms, and it is such a *manini* thing. And as far as New York, they haven't had that in effect long enough to really find out if there has been an improvement since they passed that law."

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

"Thank you, Madame Speaker. In opposition. A couple of points about New York versus Hawaii. First, New York is characterized as being one of the few states where the dominant form of movement in and out of the city is by public transit. What we have in Hawaii is people locked in rush hour traffic where they are moving at such a slow speed that the operation of a telephone is not really a risk factor.

"Second, the facts that have been brought by the Minority Floor Leader, including the information from the American Automobile Association, is going to be more readily available as this bill moves along and the public is going to grow in consciousness of the fact that we are going after only one particular cause, and by no means the greatest cause for accidents. I think they will probably react to that."

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

"Madame Speaker, I would like to speak briefly in favor of the measure. This is just one small thing that we can do to make driving more safe, and quite frankly, I am surprised at the opposition. The human body, and I know this, is very, very fragile. It is kind of like Humpty Dumpty said, "All the kings horses and all the kings men can't help to put the body together again". If this helps in only a very small amount, in a small way, to help prevent some accidents, then it is a good thing and I support the bill."

Representative Bukoski rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Bukoski's written remarks are as follows:

"In opposition to HB 787, HD 2. This said bill makes it illegal to operate a wireless phone while operating a motor vehicle. My concerns are threefold.

"First it serves to erode the civil rights and liberties of individual citizens by allowing for "prima facie" evidence to be allowed as admissible evidence indicating guilt. There is little or no defense against such forms of evidence, especially in these cases where it's your word against a law enforcement officer's. It is interesting however, that although the majority of this Body supports resolutions voicing concerns against the 'Patriot Act' and how it serves to erode the civil fabric of our nation, we, within our own State and within our own authority pass out measures that erode those very rights.

"Second, along the same line, there is a presumption clause that places the responsibility of disproving one's guilt, as opposed to the presumption of innocence until proven guilty. Based on the criteria set forth in the bill, it will make the enforcement of the law very vulnerable to frivolous citations that may result in a backlog of our judicial system that is already overburdened.

"Lastly, this bill does not take into account the transportation industry where truck drivers often use two-way radios and hand-held radios to communicate during their normal work environment. This new law, if enacted, will be very difficult to enforce on a fair and just basis.

"I am strongly in favor of improving safety on our roadways, but we must do so in a realistic and prudent manner. Based on these reasons, I am opposed to this measure in its current form."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 49, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC VIOLATIONS," passed Third Reading by a vote of 41 ayes to 9 noes, with Representatives Blundell, Bukoski, Finnegan, Fox, Jernigan, Meyer, Moses, Ontai and Stonebraker voting no, and Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 788) recommending that H.B. No. 1214, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1214, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I rise in support with strong reservations to this bill in its current form. HB 1214, HD 2, creates a conclusive presumption that it immunizes the State and counties from lawsuits arising from death or injuries in park areas, provided the State or public entities post a sign or signs warning of the potential dangerous natural conditions. This proposal, of course, stems from the lawsuit in which the State of Hawaii was found to be negligent in the Sacred Falls landslide of 1999.

"In September of last year, Circuit Judge Dexter Del Rosario ruled that the State did not adequately warn visitors that the rocks above the trail pose a potentially fatal hazard. I believe one of the questions we should ask ourselves, as we consider the legislation before us is, what if this bill had been law on Mothers' Day, May 9, 1999, when eight people were killed and dozens injured by boulders. Boulders as big as cars came tumbling down the mountainside at Sacred Falls in Hauula. If HB 1214 had been law, then would death and injuries have been avoided? The answer to that is: probably not.

"HB 1214, HD 2, doesn't make our parks and public spaces safer. It simply provides the State and counties with a blanket protection against lawsuits. What if the warning signs fell down or were defaced according to this bill? The conclusive presumptions remains up to seven days after the public entity has been made aware of the problem, which when you are talking about remote sites, it may take a long time. Let me illustrate that.

"This bill says that if the State or county posts a sign and six months later, a year, whatever the date may be, if they don't check that, it doesn't matter because if it is missing and

somebody dies, it doesn't matter because the presumption remains. It means you will not be found to be responsible for warning people of the dangerous conditions that the sign was supposed to do. The sign supposedly remains there even if it is not there. That is what this continuing presumption means. So if the DLNR says that it takes us 6 months to get back to see our signs because they are very remote, that is why we want to make sure this bill protects us. As long as we post it, if it is gone, it is not our fault. We will only be responsible if we don't replace it after seven days after someone tells us. Let me continue.

"The Hawaii State park system is a tremendous economic asset attracting visitors from around the world. According to the newspaper reports, about 50,000 to 70,000 people a year visit the Sacred Falls Park. The State spends millions of dollars annually encouraging visitors to come and spend their money here in Hawaii instead of elsewhere in tough economic times. Many families do come because of Hawaii's unique natural beauty, the famous hospitality of its people, and because of our parks. Yes, even Sacred Falls. Beaches and other public places that are thought to be safe place for families to visit. Please note that the word family is important to note here, because in May 9, 1999, Mothers' Day, there were indeed families at Sacred Falls.

"This is not just a remote site that is used by professional hikers who came to testify saying that they want it open. This place is promoted by our tourism industry, our families, our friends, our web site, to be a place to see. It is a unique place to remember when we visit Hawaii. Now how safe are ..."

Representative Kahikina rose to yield his time, and the Chair "so ordered."

Representative Sonson continued, stating:

"Now how safe are they going to feel if we start saying, 'Thank you for visiting. If you get hurt it is not our problem.' How hospitable is that going to be? How are they going to find us? Where is our Aloha? But that is essentially what this bill says to people. I believe the State's effort should be directed to making sure our parks are safe places, not just for visitors, but also for our own people to enjoy. Not in stripping away essential consumer protection. The right to sue is an essential protection.

"When was the last time a coconut fell on your head when you were walking downtown Honolulu? You know its been a long time and the reason for that is because there is an incentive to make sure those trees don't have fruits on them to break people's head. It is the best protection there is against negligence. And in the Sacred Falls case, a long history of accidents show how clearly dangerous the site was.

"I will read a portion of the report of the *Honolulu Star Bulletin*. I don't know what date this was. But this covers the dangerous history of the Sacred Falls. In 1993, a 22 year-old Hickam Air Force Base soldier was hit in the head by a rock falling 150 feet from the falls. In 1991, a rockslide injured a man and two women. The rocks were loosened by heavy rains and hit the hikers on their head and onto their back. In 1992, a 4 year-old girl was killed when she was hit on the head by a falling rock near the pool. Her stepfather suffered cuts and broken collarbone. In 1970, 30 people were trapped under a small rockslide. One man suffered serious injuries. In the Sacred Falls incident, 4 woman, 3 men, and a 7 year-old girl died. More than a dozen children were among the 34 injured. And 6 children from the three families lost a parent.

"The State is fighting a lawsuit. Yes, it is important for us to protect our taxes which come from people those who are tax

payers. But we must also consider the right of those people to feel safe in their own State, in their own parks. We must devote the monies that we use to fight these very much needed protections by using these monies that are now being requested from the TAT. These same people who are our visitors who won't be hurt by the inaction of the DLNR, our State, and our Legislature who will try to protect the State through legislation. We will use our energies, our funds that are available to make the people safe. To make sure we do whatever we can to make sure that rocks will not fall on people again and kill them."

Representative Moses rose to yield his time, and the Chair "so ordered."

Representative Sonson continued, stating:

"If an area is so inherently dangerous that no amount of work will remedy the safety issue, then the site should remain off limits. Signage will not make this safer. In short, HB 1214, HD 2, puts the 'horse before the cart'. We should be trying to concentrate on trying to prevent tragedies, not the lawsuits they engender. Thank you very much."

Representative Waters rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

"Thank you, Madame Speaker. In strong support. This bill simply uses the common sense approach which allows not only our visitors, but our residents to enjoy Hawaii's natural beauty. Without this bill there may be reason to close every trail and prohibit our visitors and our residents from enjoying the natural beauty that exists. The burden will be placed under a risk assessment group to determine the extent of danger and place warning signs accordingly. And it may be that the risk assessment group will indeed close off an area until it is deemed that it should be closed. This measure just protects all of us, as it has been expressed, as taxpayers from exorbitant suits. Citizens of Hawaii and our visitors must resort to some reasonable measure in protecting their own safety and using common sense as they go anywhere in this world."

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

"Madame Speaker, the Representative from Waipahu has given some forceful arguments and I would like to register a vote with serious reservations, and I hope that as this bill goes through, some of his concerns are addressed."

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

Representative Nishimoto rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

Representative Tamayo continued, stating:

"I would also just like to also mirror his comments saying that there are inherent dangers that goes along with our natural resources and our natural parks. We as a State cannot, and I

don't think we should be expected to control, be able to control, every stone and every rock that is on our island. That is all. Thank you."

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

"I'd like to register strong support on this measure."

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

"Thank you, Madame Speaker. In support. I don't think we have the authority to repeal the laws of gravity."

Representative Kaho`ohalahala rose to respond, stating:

"Thank you, Madame Speaker in strong support. I just want to add that the comments made earlier by the Representative from Waipahu concerning coconuts. I want to relay a story. When I went to Tahiti and saw that everywhere we went were coconut trees that grow naturally in these areas of the Pacific. They were overlaid with coconuts. I looked at them and said, "Why do you have coconuts on your tree? If they fall they might hit you on the head." They looked at me very funny and laughed, and they said, "If you are stupid to go under the tree, a coconut will hit your head."

"The point I want to make is that we have made laws here in Hawaii now that restrict even that coconuts should bare fruit. If you look at an item such as the coconut, which has brought to these Polynesian cultures, including Hawaii, much in terms of their own existence. They were food material. They provided *niu haohao* for the children to eat like a soft spoon meat of the coconut. They presented water, clothing, building materials. And here in Hawaii we would outlaw the bearing of fruit from one tree because someone stood underneath the coconut tree and was hurt or killed by the falling coconut.

"So as the words of Representative Herkes, that I don't know that we can legislate some of those things that are part of nature and part of the beauty and the inheritance that we have in these islands. And to expect to us to be liable for those things is what leads us to these areas where we are now in the beautiful Hawaiian Islands where coconuts bare no fruits."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Madame Speaker, in strong support of this measure. Several years ago the Legislature made a similar policy decision regarding the ocean waters around our State and created a similar taskforce to create signage for the entry ways into the waters. It has worked to warn people that if you engage in certain inherently dangerous activities in our waters, that you could run afoul of the currents and natural conditions, and hurt yourself, or even perish in our waters.

"There is a saying that we use when we go down to the beach and we look at the waves and survey the height or the currents there about. 'If in doubt, don't go out.' 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. 1214, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND LIABILITY," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 789) recommending that H.B. No. 85, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 85, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ACCRETED LANDS," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 790) recommending that H.B. No. 1114, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1114, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 791) recommending that H.B. No. 519, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 519, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I believe Elder Justice Act 791, HB 519. Madame Speaker I stand in support with strong reservations on this measure. If I may, I would like to explain my reservations. HB 519, HD 1, expands the civil penalties for the abuse, neglect, and exploitation of elders. While I certainly support the intent of the bill and vigorously oppose elder abuse in all its forms, I believe the measure, as written, could have serious and very serious side effects if enacted as law. These side effects could have a deleterious impact on precisely those people the bill is meant to protect.

"Hawaii residents, age 70 and older comprise the fastest growing segment of the population. And as our elderly population grows, so does the need for affordable elderly care. In the Judiciary Committee we heard testimony from Emmitt White, Chair of the Hawaii Long Term Care Association. He spoke ominously of the ripple affects of a bill like 519 has had in other states, namely Florida, Texas, and Washington.

"According to Mr. White, liability insurance premiums have skyrocketed in these states with an increase in civil penalties making it difficult, if not impossible, for care providers to renew policies as insurance underwriters scramble to limit their exposure. In Texas, for example, the liability insurance rates for nursing homes have increased from 300% to 500% since the enactment of a bill similar to HB 519. The increased cost of doing business is either passed on to the consumer, or the facility must close its doors. In either event, affordable elder care no longer exists.

"In Hawaii, the liability insurance problem is acute and would be even more so without increases in civil penalties proposed by this bill. I have spoken to several nursing home operators, care home operators, ARCH operators within the State and they all say the same thing. Rates have more than doubled in the last two years.

"You know, Madame Speaker, I am a plaintiffs' attorneys and I notice that a lot of plaintiffs' attorneys came to testify using this measure as a vehicle to fully employ them. I should be voting for them. You know Madame Speaker, I want to tell you that this is a specialized area when it comes to insurance.

"I have called the insurance companies that provide insurance to these nursing facilities in the islands. For example, to obtain insurance for a nursing home, now it cost about a \$100,000. Those ARCH operators who are not incorporated, owned only by the occupants of the house, these businesses these ARCHs where we put hundreds of our elderly, thousands in fact. There are about 533 homes out there. Their insurance went from \$400 three years ago, to \$830 today. But that is not really the problem.

"This is the problem. There is really one insurance provider for this system right now, for Hawaii. According to them, there is only one policy. We think that there are 533 policies because there are 533 people that are involved. But actually the only way they could have obtained a policy to keep operating is to have a 'basket' insurance. What is that?

"A 'basket' type insurance is that they obtain one insurance, \$5 million worth for all 533 care home operators. And this amounts to \$830 a piece. Almost a half a million dollars for that insurance for them to stay in business. This bill ..."

Representative Say rose to yield his time, and the Chair "so ordered."

Representative Sonson continued, stating:

"The intent of this bill is very, very important. It is to protect our elderly. But how are we going to protect them if we don't have a place for them to live? These people are not only old, they are also, a lot of them, are sick. A lot of them have mental disabilities. Now as I told you, as an attorney, I would salivate at the idea of having treble damages and not only that, it also provides for attorneys fees and costs. And so what? If they value the attorneys came to testify and said that they only value the lives is about \$15,000 to \$35,000. Whatever that number was. A very small amount. But do we care about that? What we need to look at is that the incentive is to get the attorneys fees and costs. And once a lawsuit is filed, according to the person, this agent who specializes in this area of insurance, he said that a couple of lawsuits, even without this bill, we will lose this source of insurance, this basket insurance that exists today.

"The nursing home operators currently don't have this protection. Where are we going to put those elders that we are trying to protect. I am voting with reservations. I support this bill because the intent is correct. I hope as this bill moves forward we can have a better understanding of the side effect of this kind of legislation. It is well intended however I think the side effects far, far, far out weighs the benefits."

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

"Madame Speaker, I also share the reservations of the previous speaker. I think he spoke very well about the insurance situation and he had a very compelling argument about the side effects of this bill. I am voting with reservations. I also understand that the pain and suffering cap would be removed in judgment so that it might go much higher than \$375,000 which we have today. So because of the potential ill effects on the owners of ARCHs and their ability to obtain insurance, I have very serious reservations on this measure. Thank you very much."

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

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

"I rise in support of this measure. The purpose of this bill is to ensure the well-being of elders who are dependent on others for their care because of some mental or physical impairment. As you know, this segment of the population is very vulnerable, and we need to ensure that they have the maximum legal protection available to them.

"State law already provides for enhanced penalties in two other situations. The first situation is where an elder is the subject of an unfair or deceptive act in practice, which is basically consumer fraud. In that situation the perpetrator is subject to treble damages.

"The second situation is in the instance of unlicensed contractors. Unlicensed contractors who prey upon the elderly are also subject to enhanced penalties. This bill applies the rationale that we applied, within the context of unfair practices, consumer fraud and unlicensed contractor activity, to instances where elders are abused or neglected or in some unfortunate situations, die in facilities. I know that there is concern about the insurance aspect of this issue, but the primary concern before us, as a public policy matter, is the well-being of elders who are dependent on others for their care. That is the primary issue before this Body.

"We can continue to address the issue of liability insurance as this bill progresses, but in the mean time we need to put the interest of our elders first. Thank you."

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

"Thank you, Madame Speaker. I rise with some grave reservations and want to thank the good Representative from Waipahu for clearly stating what this bill does. I think if we are concerned about the elderly, we want to make sure that there are adequate places for them to be cared for, and it seems to me that there is a very real threat that if we pass this bill, we will drive the price of insurance up so high that we will put many out of business, not to mention all the suits that we may be looking at which will also drive others out of the business.

"We already have difficulty placing some of our elder members. This bill seems to be going too far. It is like we are sort of schizophrenic on this bill. We are looking out for the elderly being injured, but we have other laws that take care of neglect. But this bill will almost surely raise the liability insurance which many are having problems with now, and yet on the next page, on page 10, HB 914, we would ask that the State help pay the liability insurance. Another cost that is not proper that the State should have to pay. These are businesses they should be able to handle their own expenses.

"So rather than put them in a bind and give them money with one hand, and force the problem with the other, I think this bill should be looked at very carefully after it crosses over to the Senate. Thank you, Madame Speaker."

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

"Thank you, Madame Speaker. I'd like to commend the Representative from Waipahu for an excellent job explaining that, and I vote with reservations on this. I would like the words of the Waipahu Representative entered as my own in the Journal," and the Chair "so ordered." (By reference only.)

Representative Finnegan rose in support of the measure with reservations, and asked that the remarks of Representative

Meyer be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative M. Oshiro rose to speak in support of the measure, stating:

"I rise in strong support. Madame Speaker, I introduced this similar type measure based upon the model Act regarding elder justice. I'd like to thank the Committee for moving this forward.

"This is an important bill, one of the several bills we're dealing with on the issue of elderly abuse this Session. What this bill does is basically create a private 'Attorney General-like' statute so that consumers themselves, through the civil process, can seek redress in the enforcement of our laws dealing with elderly abuse and neglect. I think Members should pay attention to those who came in to support this measure. It received support from the Prosecuting Attorney of the City and County of Honolulu, Advocates for Nursing Home Justice, American Association of Retired Persons in Hawaii, Hawaii Family Forum, and three individuals testified in support of the bill. They also received support from the Executive Office of Aging. They also received support from the Law Enforcement Coalition. And last but not least, Mr. Dan Bennett, our current Attorney General came in strong support of this measure and said at the hearing that this bill would compliment the current enforcement practices and procedures of the Attorney General's Office, the Medicaid Enforcement Office and the Department of Health as it pertains to elderly abuse and neglect. 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. 519, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ELDER JUSTICE ACT," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 792) recommending that H.B. No. 385, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 385, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I rise in strong support of this measure. Madame Speaker, those familiar with my past work background know that domestic violence is an issue that I've often worked on. You know as a youth pastor, I encountered many situations where women, in the house setting, were often preyed upon and abused, or had violence directed towards them from husbands, former boyfriends, people who lived with them, things like that. We know that domestic violence is something that also extends outside of the confines of one's residence or one's domicile.

"Madame Speaker, one of the reasons why I support this measure which relates to the prevention of workplace violence, is because it recognizes that violence can take place also outside of the home. And in this situation, this measure seeks to prevent acts or threats of violence or harassment when people are in the workplace. This is a very serious problem, Madame Speaker. I don't think we realize the extent to which this was a problem in our nation. I understand that over a million incidents occur of violence or threat to violence in the workplace throughout our country. And that this is probably

the leading cause for workplace fatalities. And so this measure I think does a good job in terms of seeking to prevent that.

"Specifically what this measure does is, in addition to the legal protections and legal opportunities, the person, him or herself, would have in terms of keeping away people who would direct violence toward them. This measure allows the employer, the person who is in charge of the workplace, to be able to seek out TROs and injunctions. This is innovative. This is new, and perhaps for some, this is considered controversial. But sometimes we have to take new steps and we have to move in unique directions to ensure the safety of the people of Hawaii as they go to the workplace.

"This measure, despite being new in terms of giving employers additional tools to provide for the safety in the workplace, this measure was supported by a number of groups, a broad array of community groups and people. Just a few, Madame Speaker, include the City and County of Honolulu, Department of the Prosecuting Attorney, the Hawaii State Coalition Against Domestic Violence, the Hawaii Hotel Association, the Retail Merchants Association, the Society for Human Resource Management and the Hawaii Chamber of Commerce. All of these groups recognize that workplace violence is growing, is increasing and is serious, and so we have brought forth this measure to seek, to address this. I know it adds perhaps an additional burden to the employer but also gives an employer an additional tool to address this problem and that's why so many employers through these various business organizations came forward asking to move this measure forward.

"I was proud to vote for this measure in Judiciary, proud to stand in strong support of it today, and ask all of my colleagues to join me in helping to prevent workplace violence. Thank you Madame Speaker."

Representative Lee rose in support of the measure and asked that the remarks of Representative Pendleton be entered in 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. 385, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE PREVENTION OF WORKPLACE VIOLENCE," passed Third Reading by a vote of 50 ayes, with Representative Hiraki being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1465 HD 2; 193, HD 1; 49, HD 2; 1214, HD 2; 85, HD 1; 1114, HD 1; 519, HD 1; and 385, HD 2; passed Third Reading at 1:36 o'clock p.m.

At this time, the Chair announced:

"At this point, we're going to take a recess until 2:30 p.m. We will start at 2:30 sharp so please be in your seats. Lunch is provided in the hallway for all the Members. Thank you."

At 1:36 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:38 o'clock p.m. with the Speaker presiding.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 793) recommending that H.B. No. 651, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 651, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I'm rising to speak in support of the bill but with some reservations. Mr. Speaker, my main concern relates to the fact that this bill proposes to update the informed consent statute by replacing the existing patient-oriented standard with a physician-oriented standard. That's what is the crux of the problem.

"A patient-oriented standard, which is what we have at this point, requires a physician to disclose what a reasonable patient needs to hear from her or his physician in order to make an informed and intelligent decision regarding treatment. This change is a standard to be what the physician believes he should say or she should say. I think it's a step backward from a consumer friendly bill and that's my concern. Someone from the other side of the aisle might be able to shed more light on it, but I look at this as not being as consumer oriented as I would like it to be. I know that the testimony that brought up this fact was from a group that is called the Hawaii Coalition for Health and they were in opposition to changing this standard. Thank you."

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

"Thank you, Mr. Speaker. I'd like to say a few words in support with reservations on this particular measure. I do have a personal experience in this area. Let me tell you this story about this veteran who was about eighty-five years old ..."

The Chair interjected, stating:

"Representative Sonson, please confine your remarks to the bill which is on informed consent."

Representative Sonson continued, stating:

"Yes, yes, I will. The reason why this relates to the bill is because what his problem was, he was not told what the effect of the surgery that he got was. Okay, let me explain by telling the story. He went to the doctor, and the doctor told him that he has a condition where he needed to remove a particular part of his body, his anatomy, and the reason for that is because he has cancer. And then in the end he realized that he could no longer perform as he wished to do as a man. His main concern was, "You know, if the doctor told me, gave me a choice that if this surgery is going to take place that I will have this side effect of the surgery, I would not have gone on with the surgery even if it killed me."

"So that my point is that if we do have a standard where the patient is not informed of what the consequence of a particular surgery is, even if it will cost a person's life, I don't think that it will still be a consumer type of bill, which I stated earlier. This bill actually gives the control of the information to the provider, which are the doctors. The doctors, if given the choice, will not give you that information and will just go ahead and proceed with surgery. The incentive is not there. So I believe that the concern of those people who are going to go under the knife should be taken into consideration in this case. Thank you very much."

Representative Tamayo rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tamayo's written remarks are as follows:

"This bill has very serious implications and concerns me very much. When a person becomes a patient, they are putting themselves at the mercy of their doctor/caregiver, trusting them completely, sometimes with their life. To lessen the rights of the patient to even make an informed decision, further empowering the already powerful physician, is a very dangerous thing to do.

"In the Standing Committee Report, it says, "This measure would replace the 'patient-oriented' standard of disclosure with the 'physician-oriented' standard." As someone who is not a physician, which a majority of us are not, I have some very real concerns about the rights and safety of a patient. If a patient cannot even be assured that they will be given all information to be able to make informed decisions, the patient has no power over their own fate.

"Doctors don't know everything, don't have perfect judgment, may not have the patient's best welfare at the forefront of their minds at all times, and most importantly, as facts and data show, doctors and hospitals do make mistakes ... sometimes fatal mistakes. If anything, we should be empowering the patient's right to information, rather than lessening it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 651, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INFORMED CONSENT," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Blundell, Hale, Nishimoto, Tamayo and Waters voting no.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 794) recommending that H.B. No. 807, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 807, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 291E," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 795) recommending that H.B. No. 736, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 736, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSES," passed Third Reading by a vote of 51 ayes.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 796) recommending that H.B. No. 43, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 43, HD 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE FRAUD," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 797) recommending that H.B. No. 1590, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1590, HD 2, pass Third Reading, seconded by Representative Lee.

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

"I rise, Mr. Speaker, in strong support of this measure. During World War II, 142,000 Filipinos joined the US Armed Forces in the Far East. The strategic part of the military fought side-by-side with US Forces and now approximately 3,000 of these World War II veterans are living in the State.

"Mr. Speaker, under the current law, a survivor or interested party of a deceased World War II Filipino American must produce an itemized paid invoice to qualify for the Veteran Burial Grant Program from the Office of Veterans' Services. This burial grant already provides funeral and burial services for the deceased Filipino American veteran, and helps pay for the transporting the remains of the deceased back to the Philippines. The problem is even with this grant, which is not allowed to exceed \$2,000, some cannot afford to pay for these services in advance. This causes even more problems because the bodies must be stored by the Office of Veterans' Services until the sufficient funds are raised.

"The Office of Veteran Services testified in support of this bill provided its passage does not impact its priorities in the Executive budget. Mr. Speaker, this bill requires the Director of the Office of Veterans' Services, at the request of an interested party to make payment directly to a mortuary or crematory upon the submissions of a contract for services and itemized unpaid invoices.

"We must honor these remaining 3,000 Filipino American World War II veterans. The freedom that we are defending today was due, in large part, to these men and women who served heroically alongside our US Forces. I hope my colleagues in these Chambers will support this bill. Thank you, Mr. Speaker."

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

Representative Moses continued, stating:

"I'd just like to say that among military veterans of all services, the Filipino veterans are cherished as our staunch allies during this great conflict of World War II. And any benefits that these American veterans, and they are that, they are American veterans, deserve, they should have. It is up to all of us that they get it. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. On the same measure, in strong support. I'd like to just mention that during the Second Reading, I inserted my comments, but I'm compelled to say something again, Mr. Speaker, because of the pressure or the information that I've been receiving through my office from these veterans, and because I've been dealing with them for the last many years.

"Again, in a nutshell, I'd like to just mention that about three or five veterans are dying every month. And I would consider this bill as a compassionate bill, and I'd like to thank the Chairman of the Finance Committee for addressing this in his Committee because I wasn't so sure whether this was going to

move forward. But I did find out that it's now on the floor and I thank him and also the members of the Finance Committee.

"I would like to also mention Mr. Speaker, and if I may colleagues, just for our edification here, how important this measure is because again, this is about helping those who are in need. Currently there are approximately 12,000 Filipino American Veterans of World War II living in the US today ranging in age from 79 to 80 years old. And of that number, approximately 1,500 live in Hawaii. And these veterans are aging and most of them are going through severe health problems because of old age.

"According to reports, the number of deaths among the veterans here in Hawaii again is averaging about three to five a month in the last few years. And last year alone however, that number increased dramatically with the deaths of nine veterans during the months of June and July of 2002 alone.

"Mr. Speaker and colleagues, the saga of the Filipino American Veterans of World War II continues. In Hawaii and across America, many of us have seen for many years the pain and sufferings as they fight to regain veteran status and benefits in Washington. Many have died and for them it is too late. But for the surviving veterans, their fight continues. And there has been many movements in the US Congress to help advance the cause of the Filipino Veterans in 1999 alone. For example, the US Congress passed Public Law 106-169, which gave Filipino American Veterans residing in the United States the right to return to the Philippines with 75% of their supplemental security income or SSI.

"The Filipino equity bill, HR 491 of 2001, was deemed too expensive however, and believed to cost the federal government an estimated \$350 million a year, and it was killed. Last year, the Veterans Health Care and Procurement Improvement Act of 2002 was passed by the US House of Representatives on July 22, 2002. And this bill carried a provision in Section 5, that included healthcare for Filipino veterans of World War II who are residing in the United States and their surviving spouses. Among the benefits the veterans would have received are nursing home care, medical supplies, medicines, and VA clinic and VA hospital services. But the bill died in the US Senate.

"In 2002 we adopted HCR No. 34 here, urging the US Congress and the President of the United States to repeal the Rescission Act of 1946 and to restore Filipino World War II Veterans to full veteran status and benefits. And the current 108th Congress has again introduced numerous bills for the veterans. Among others, this bill HR 677, the Filipino Veterans Equity Act of 2003; S.68, to improve benefits of Filipino Veterans of World War II; and HR 664, the Health Care for Filipino World War II Veterans Act.

"So Mr. Speaker and colleagues, the veterans are citizens of the US and residents of Hawaii and are entitled to receive burial assistance from the State. But in most cases, the survivors have to pay for the upfront cost for the burial services, as explained by our colleague from Ewa, or the cost of transporting their remains back to the Philippines where he wished to be buried. This has put a great burden of the surviving spouse of the veteran simply because they do not have the financial resources to do so."

Representative Luke rose to yield her time, and the Chair "so ordered."

Representative Abinsay continued, stating:

"If I may just share a personal experience, Mr. Speaker, of how important it is for us to fully recognize in helping the

survivors of the families of these aging veterans. At one time, with the intention of our community to help a veteran, we tried to help the families of this veteran come to the US for humanitarian reasons. We were very successful in some areas with the help of the late Patsy Mink and our congressional delegation. But for some reason, many of those who cannot afford to come, we had no choice but to cremate the body, which is taboo to us as Filipinos.

"In one instance when a veteran is very lonely and he wanted to go back to the Philippines, he was asked to stay back because the family members would like to come to America. In the process, though he became so lonely and he passed away. This particular veteran he had nothing left, and what we did in our community was to contribute something to make sure that he was going to be given a descent burial. Personally, I also donated my *barong* and my shoes, and in the process, I was also giving the eulogy knowing that the following day he would be cremated.

"One week after the cremation, after the discussing what we were going to do with the body with the family members who were in Manila, I received a call from one member of the family who obviously was not informed and who lived in one of the provinces in the Philippines was asking me and my group for the body of his father. It was so difficult because we had already cremated the body and we had no choice but to explain. Nothing was in writing so that was a lesson to us. That is just one typical example Mr. Speaker, of why there is really a need for us to address this.

"Another instance, when I went to Washington DC with 37 veterans, one of the veterans just dropped dead and we did not know what to do. The reason why I am so involved in this is because of the experience of what I had witnessed through all these situations wherein the veterans, they were supposed to help their comrade. But they told me, let's go home. Forget about the body. Let's just leave. So I had to stay back, and I had to ask for help from the Ambassador of the United States who was assigned in Washington. It was so difficult that I had to beg for support. But thank God we were able to do something to bring the body to the Philippines with the support of the Office in Washington DC, and also our people here in Hawaii. Those are just two cases Mr. Speaker and colleagues, why there is truly a need for us to address this.

"Again these people are all 79 to 80 years old and I am sure that you will agree that our veterans deserve as much honor and dignity in death as they did life. These aging veterans were once brave young soldiers who fought with American troops in the Philippines during World War II. In their aging faces you could feel and sense a common sentiment of betrayal by the American government. This bill is a small gesture of our gratitude for their service they gave to our country, and I believe it is time we acknowledge the injustice done to them and do something about it. Thank you, Mr. Speaker."

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

"Mr. Speaker. Thank you and also in favor. Just to let you know that the President's Advisory Commission on Asian Americans and Pacific Islanders, held Commission meetings here last September. During that time they were able to meet with the group of Filipino veterans who wanted to press their case. It was arranged through the good offices of the previous speaker.

"The Commission is very much in favor of passing federal legislation to help these veterans. Also the Bush Administration has testified in favor. The Secretary of Veterans Affairs, Anthony Principi, has testified in favor of the

bill that was introduced by the late Representative Patsy Mink and others.

"So I am in strong support of this bill. I am hoping that a chapter on the Filipino vets will be included in a report that will be published by the Asian American Pacific Islander Commission. I urge everyone to please support this measure. Thank you."

Representative Magaoay rose in support of the measure and asked that the remarks of all previous speakers be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Sonson rose in support of the measure and asked that the remarks of all previous speakers be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Ito rose in support of the measure and asked that the remarks of Representatives Mindo, Moses, Marumoto and Abinsay be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. I rise in support, and as a native of Iliolo in the Philippines, I also ask that the comments of the Representative from Ewa be placed in as my own," and the Chair "so ordered."

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

"Mr. Speaker, I rise in strong support of this measure. First I'd like to incorporate the remarks of all previous speakers have them placed in the Journal as though they were my own," and the Chair "so ordered."

Representative Pendleton continued, stating:

"The main point I want to make is that I think that at the federal level, I think we here at the State strongly support passage of the equity legislation. This measure by no means is a replacement or substitute for that. This is something we want to do in addition to seeking passage of that federal legislation.

"I strongly urge our Congressional delegation to continue all the efforts in this regard. I am just honored to be able to support this measure. In a very small way, it handles some, and addresses some very practical problems that people face when these tragedies happen, when the passing of loved ones places severe financial burdens on families. At least this legislation helps us to address that situation. So I urge all of my colleagues to vote in favor of this. Thank you."

Representative Finnegan rose in support of the measure and asked that the remarks of all previous speakers be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Tamayo rose in support of the measure and asked that the remarks of all previous speakers be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Tamayo continued, stating:

"Thank you, Mr. Speaker. I would also rise in support and ask that the previous speakers' comments be inserted as my own," and the Chair "so ordered."

"Just very briefly, when I was going door to door in the last campaign season, I was able to meet many of these Filipino American veterans in their homes. They expressed their frustrations at not receiving adequate support, and I feel their frustration is also that the support now that is coming is coming too late because they are all dying off. So I feel that this is the least that we can do for them."

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

"Thank you, Mr. Speaker. In strong support. As an Air Force Veteran served during 1968 to 1972, I would be remiss if I didn't lay my accolades too in support. Just to tell my story in 1971, when we closed Ramey Air Force Base in Puerto Rico, and we came to San Francisco. I was spat on by some protestors who were protesting the war in Vietnam. Then I realized that I really was protecting that person's right to spit on me.

"As you know, when I got elected, a certain Mitch Kahle came to my office and ripped off my fish from our doors and he also ripped off my poster that was in favor of the baby. The point that I am trying to say is that it beats the heck of me that in this diverse country and government, that this veterans are not given the same benefits as all veterans. Because they have sacrificed their life for the ultimate, and the ultimate was that we would allow people the diversity and be such a democratic government. So I don't believe anybody would vote against this bill. 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. 1590, HD 2, entitled: "A BILL FOR AN ACT RELATING TO VETERANS' RIGHTS AND BENEFITS," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 798) recommending that H.B. No. 914, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 914, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I stand in support but with strong reservations. First, let me just thank the Chair and the Vice Chair and the members of the Health Committee for bringing this issue forward. Because recognizing that this is very sensitive. It also serves as an education for all of us in addressing the concerns of our elderly. I also would like to mention that the in the process of my discussion this afternoon Mr. Speaker, I hope that this will also serve as some kind of edification for all of us as to the difference between unannounced visits and unannounced annual inspections. And that is the issue that I would like to address.

"First Mr. Speaker and colleagues, let me just mention the purpose of the bill, as amended in HD 2, is to allow the Department of Health and the Department of Human Services to conduct unannounced annual inspections of adult residential care homes and community care foster family homes. Again Mr. Speaker, if I may be allowed to say about unannounced visit because it is not a part of the bill, but I think for comparison purposes, I should say it.

"Mr. Speaker and colleagues, I fully support unannounced visits. It is made to detect neglect or abuse, or to follow up on reports of abuse or neglect. Yes, unannounced visits are appropriate and it must be done anytime of the day, anytime of the night, even in the wee hours of the morning. That I believe is what is happening right now. So it must also be done to protect the patients, especially the elderly. And 15 to 20 minutes of surprise spot-visits, most likely will probably do the job of the detecting abuse or neglect in care homes. So I repeat, one more time, that is where the alleged issue of abuse and neglect should be addressed. And the care home operators had no objection to that because that is exactly what is going on right now.

"Annual inspections are a different type of inspection its scope requires a good amount of time to complete. It involves numerous paperwork to be worked on and pages of questionnaires or forms to be filled out. Moreover, it involves lengthy interviews with the care home operators and with the patients, and of course, there is the actual walkabout around the home to make sure that safety standards are being met. I doubt any of us know or are even remotely aware of how long it takes for these annual inspections to be completed. Care home operators tell me it takes three hours or even longer to do that. So that is that annual re-licensing inspection requirement, Mr. Speaker and colleagues. They have to be re-licensed every year. And a result of that they have to be inspected, and there are a list of items that they have to comply with. That is the issue on the floor right now, on the table, annual inspection.

"Care home operators are not against, one more time, unannounced visits. In fact, I know that they could support this bill if a specific timeframe is given when annual inspections are to be conducted. The reason for this is that care home operators cannot afford to hire extra help when doing errands such as taking patients to doctors appointments or going to their own doctors appointments, or any other personal business they might need to take care of.

"Mr. Speaker and colleagues, care home operators have a greater responsibility in caring for patients who are very fragile because of old age. Their health condition changes from day-to-day. And one day they are fine and next day could be a different situation. So caregivers could be in and out of doctor's offices or hospitals mostly every day when faced with a situation like this. So when an unannounced visit occurs when they are not at home, then the question is what happens?"

Representative Schatz rose to yield his time, and the Chair "so ordered."

Representative Abinsay continued, stating:

"And Mr. Speaker, what about when visits occur in the evening or late at night? Is that reasonable? I don't think so, unless of course there is a need, and if that is the case we have laws that allow proper authorities to enter care homes immediately anytime, day or night. So currently, care home are notified of annual inspections to occur on any day of a given month.

"For instance Mr. Speaker, if I may just say, let's say a care home operator has been informed that, "Care home operator, we will be coming to your place next May, in the month of May," and specifying that it might be a Thursday of any week of that month. That is what is going on right now, so is that unannounced? Is that something that they should be ready on a particular day? They don't know, the care home operators, they know when the inspector is going to come. So this is not a scheduled visit by any means.

"The Director of Health admitted, that medical doctor herself, that a week's notice should be given before unannounced annual inspections take place. Spot checks could still be done anytime. But for annual inspections, it should be looked at differently, Mr. Speaker and colleagues. And I also believe that care home operators should be given a fair and reasonable timeframe for unannounced annual inspections. As lawmakers, we must find a balance between protecting patients so that their safety in care homes is not in anyway compromised, but at the same token, we also have the duty to protect certain rights of individual caregivers and so because of those reasons Mr. Speaker and colleagues, I believe that we have to be very fair in addressing this issue. And I hope by just saying a few words here or my statements right now will continue to keep you informed as to the importance of addressing this very important issue. So with that, thank you very much."

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

"I rise in support of Standing Committee Report No. 798. This allows the Department of Health to conduct unannounced annual inspections of adult residential care homes and community care foster family homes. These inspections could prevent residents of these facilities from enduring abusive or neglectful living situations that would otherwise not be noticed, because many of the residents are homebound and some are unable or afraid to register complaints about their care."

"While federal law makes nursing homes subject to unannounced visits, currently residents who receive care in home facilities do not benefit from the same level of oversight as residents of nursing homes. Therefore currently, it is difficult to uncover neglect or abuse because facilities are given 90 days notice before the announced inspection. Facilities who are doing their job should have nothing to fear from an unannounced inspection. Those who run the facilities receive State money to do their job, and it is the State's responsibility to make sure that situations of neglect or abuse in these facilities don't go unnoticed. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I would like to speak in support of this measure. Mr. Speaker and colleagues, you know two unfortunate deaths, one of an elderly resident of a Pearl City care home due to neglect, and the other, the murder of a beloved Waipahu care home operator, visibly shook the foundation of the care home industry, and led to calls for reforms and changes in laws concerning care homes and caregivers."

"On one hand, the death of a resident resulted in the manslaughter conviction and prison time for a licensed operator. The community, through the courts, sent a clear message of a caregiver's duty to provide a level of care that assures the quality of life and health for residents they are responsible for, and calls for more stringent inspections in so-called 'mandatory unannounced inspections'."

"Officials responsible for the inspections and licensing of all facilities statewide that provide for such care acknowledge that reports of abuse and neglect of residents are very rare. Especially considered in light of over 550 residential care homes and operators caring for their residents for 24 hours, 7 days a week. Still the conviction resulted in a Department of Health directive that all inspections related to licensing, including follow-up visits and complaint investigations, shall be unannounced."

"Advocates for the rights and care of the elderly and disabled argue that people in care homes are vulnerable and can't often protect themselves, and therefore the inspectors have the right to infringe on the privacy of the care home operators residence."

"The death of care home operator, Mrs. Alcaez, provides the other half of the equation regarding care home operations. Not only is the operator held responsible for the care and protection of their residents by opening their homes to those in need of care, they, their families, and their homes, are also exposed to possible harm from those they care for."

"While deaths of care home operators are also acknowledged to be rare, it is not uncommon for caregivers and their family members to be physically assaulted or their homes and property damaged. Criminal charges are seldom filed against residents for such acts because care home operators realize that these incidents are seldom done with malice but are more a result of mental illness or impairment. In the murder of Mrs. Alcaez, the resident assailant had a previous history of murder and violent behavior. Knowing their lives could depend on such information, care home operators appealed to legislators for measures that would prevent exposure to known dangerous criminals in their homes."

"There is very little doubt that the qualities of a caregiver are just as, if not more important, to a resident's well-being than the type of physical facilities offered. In considering the measure, it has become apparent that the number of care homes and the ability to care for sicker and more disabled elderly is critical to the State's ability to meet the needs of growing number of elderly."

"No one can deny that the life-span of people, especially in the United States and Asia, has increased dramatically over the past 50 years. Demographic data show that due to the aging of population the labor force has changed dramatically over the past 50 years. Where people in the workforce once outnumbered those who are retired 7 to 1, in 20 years it is projected that the ratio will change to 1 retiree to every 3 persons in the workforce. Despite the expected advances in assisted technology to lessen the need for a skilled workforce there will still be a dramatic shortage of caregivers especially in the area of nursing, home health aides, care home operations and nursing home aides."

"A recent Executive Office On Aging report on family caregivers cites Hawaii as having the lowest nursing home bed ratios in the nation. We have only 28 beds per 1,000 persons age 65 and older, as compared to 61 beds per 1,000 at the national level. Combine this with the rising cost of healthcare and related services for our older adults, particularly in severe instances of a catastrophic illness and chronic illness."

Representative Stonebraker rose to yield his time, and the Chair "so ordered."

Representative Arakaki continued, stating:

"For example, the cost of institutional care such as nursing homes, is currently over \$68,000 a year, but is projected to rise to \$200,000 in the year 2020. By contrast, the cost of residents in a care home is at the \$700 to \$800 per month level or less than \$10,000 per year. So one point needs to be made. If we are going to hold the care home to the standard of a nursing home, then indeed we need to look at providing fair and just compensation."

"Set by statute, adult residential care home payment rates have remained constant since the last increase in 1995. The 1988 Auditor's report found that adult residential care homes were under-compensated, and this was back in 1988. They

were under-compensated given the growing demands of the care home operator. The same Auditor's report estimated that close to 2,500 adults resided in Hawaii's adult residential care homes. Only a little over 1,800 of these adults were supported by State supplemental funds. So by national standards, Hawaii has an inadequate number of nursing home beds. But because we have care homes, we been able to fill the gap.

"The ARCHs are also part of an integral part of housing the elderly and disabled in a home environment, while providing a lower cost means to keeping the elderly out of institutional care and from expensive health services. How do we show our appreciation for them saving us money and providing a home life setting? We need to ask ourselves that. The formal establishment of the Adult Residential Care Home Programs started somewhere in the mid-1970s with the passage of the Keyes Amendment to the Social Security Act. This is when we deinstitutionalized a lot of our people in institutions, both for the developmentally disabled and the mentally ill. A lot of these people were put into boarding homes, and I am not sure how many of you remember those instances. But there were also tragedies from boarding home fires and increasing number or reports of abuse and neglect which really highlighted the need for more monitoring. I just want to give some background because I know there are many newer Members who are here who may not, and even people new to the islands who may not appreciate or understand how important the cultural background and the compassion that is provided by the care home operators is to our community.

"The HRS defines the adult residential care home as any facility providing 24-hour living accommodations for a fee to adults unrelated to the family, who require at least minimal assistance in activities of daily living, personal care services, protection and health care services, but who do not need the professional health services provided in an intermediate skilled nursing or acute care facility. So you see these are more or less people who can who really don't need the medical kinds of services. So the ARCHs are not health programs. They are care programs.

"The program began with three Department of Health staff members and 7 facilities on Oahu. It gradually increased to now where it is close to 600 ARCHs. While many of these residential care home programs and services are similar in nature, they are regulated and funded by different State agencies. These include the developmentally disabled domiciliairies or 'DD doms', the adult foster homes and the ARCHs.

"Despite the key roles played by our care homes and care home operators in the spectrum of care in Hawaii, there are problems on the horizon that must be acknowledged. Care homes are now receiving more seriously ill, and more disabled patients. Federal, State and state regulations are placing increased demands on caregivers and their families. Many younger family members have sworn off of any thoughts of continuing the care home operations and traditions after seeing and experiencing what their parents had to go through. I am wondering how many of us would open our homes to this population for the compensation they receive. So it is ironic that many Filipino families ..."

Representative Lee rose to yield her time, and the Chair "so ordered."

Representative Arakaki continued, stating:

"Thank you, Representative. It is ironic that many Filipino families made the sacrifices of time, privacy and dedication to care in their homes in order to provide greater opportunities for their children. Dreams of a better life for their sons and

daughters are fulfilled. But the tradition of care giving once handed down from generation to generation will probably come down to an end. There will come a time when the current pool of caregivers and care home operators will not have the capacity to provide the kind of care expected and in fact they probably will need the care themselves. Will there will be other families who are willing to make the sacrifice and open their homes to be caregivers 24 hours a day, 7 days a week? Are there families who are willing to expose their families to the demands and possible dangers of strangers who come into their home with a wide variety of disabilities and behaviors?

"If the numbers of care homes start to decrease as operators close their homes, it will definitely impact on and worsen the growing needs for more home and community based care settings. Unless appropriate incentives are provided, and care in homes can be facilitated, we may very well force families and State agencies to resort to more expensive institutional care and drive up the cost of care for the frail, elderly and disabled. And I think that the Representative from Waipahu talked about the cost of liability insurance, and that is a great factor, a large factor, in their ability to continue operations.

"But perhaps only those who have experienced the stress and demands of care giving as I do with my 85 year-old disabled mother, or who have pursued solutions to long-term care and the needs of elderly and disabled, as I have for the past 15 years, here at the Legislature. I know many of you are caregivers and I know you understand and appreciate the compassion and dedication of our care home operators. I for one, as a policy maker and family caregiver, truly appreciate the value of our adult residential care home operators to the State of Hawaii. That is why I take every opportunity to acknowledge their role in our compassionate and caring society here in Hawaii. So as the Representative from Kalihi said, we really need to look at balance. How can we assure the care and the safety of the residents? But at the same time acknowledge how important our care home operators are to use. This is what we are striving as a Health Committee, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. In support of this measure. And I really wish to thank the people that have made this possible for this bill to move forward. We do need some balance, and first I want to say that if the vast majority of care homes are functioning in the way that they should, that is wonderful, and that really is an addition to our society. But nine people have died over the last four years from total neglect. They would not have died if it weren't for complete neglect. They died from having ulcers that took their lives in many cases. Ulcers they could have only gotten if they have never been turned or moved for weeks. This is a serious problem that we face in this community.

"The number of care homes that we have is so large that the term, 'unannounced annual inspection', what it is really about is making sure that these homes get seen at least once a year. We're far from that. We want them to be seen and if you are only going to be able to get there once a year you should go on an unannounced basis. We have luxury to allow people to have announced and unannounced visits, great. But the number one priority is that when they go whatever time they get to go there, that they be unannounced so that we can see what is really going on.

"If you are doing your job correctly, and you are not killing people through neglect, there shouldn't be any concern about it being unannounced. But unfortunately we are really in a situation where people are dying on this island, in this

community, through neglect. We as a legislative body have to pull ourselves together and do something about it, and this bill is definitely a step in the right direction. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm standing in opposition to this measure. HB 914, HD 2, relates to adult residential care homes, authorizing the Department of Health to make unannounced annual inspections of adult residential care homes, expanded adult residential care homes and community care foster family homes.

"My concern is that this measure rolls two different things into single idea. The annual visit is primarily an administrative function. It is a one time per year paperwork and compliance procedure by the DOH, which takes adult residential care operators weeks to properly prepare for. The care homes need advance notice in order for these to proceed smoothly so that the care homes can continue to provide their services on an uninterrupted basis.

"The purpose of the abuse check however is different. The purpose of the annual paperwork check is different from the purpose of this annual paperwork and facility check. Abuse checks need to be unannounced in order for them to be effective. And in order for them to be most effective, it probably needs to happen more frequently than a once-a-year basis. And they do. And if they are not, we should urge the DOH to perform these checks more frequently. These care home operators do not object to such kinds of inspections. It is this yearly inspection that even the expert that we heard from, from California stated yesterday.

"In California they have laws that provides for unannounced visits. But those unannounced visits are different from the yearly inspection that the DOH or the Department of Health will use to make sure that the paperwork is in order, to make sure that the facility complies with codes and regulations. We are talking about apples and oranges. That is why I supported this bill in its previous form it was because I was actually supporting the insurance requirement that was on that bill. It is no longer on this particular draft, so it leaves me with nothing to support. I thank you Mr. Speaker, for this time."

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

"Mr. Speaker, I rise in support of this measure. We often hear the need for compassion by all of us here in this Body. But I ask you, where is the compassion when we hear about our elderly, rotting in their own feces, covered with bedsores. I argue to you that, that is death with indignity. And at worse, these unannounced inspections are an inconvenience for the 500 or so care home operators. But at best, these visits are going to save countless lives. And if we keep just one senior citizen off the medical examiner's table, then we as lawmakers have done a true public service.

"People's lives hang in the balance here. This measure simply props the door open for our seniors instead of slamming the door shut. Thank you."

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

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

"Thank you, Mr. Speaker. I rise in strong support. Mr. Speaker, I want to start off by acknowledging and applauding these care homes. Like the Chair of Health said, we do have a long-term care crisis here. A shortage. And these homes help to fill a void, a much-needed void, so I applaud them.

"With that said, unannounced inspections are a logical step in helping to ensure that our elderly are not being abused. To put this in perspective for Members, restaurants serving red meat, preschools educating our children, and adult foster care homes servicing the mentally handicapped, are all subject to unannounced inspections. Now all of those that I just mentioned are also all private businesses, as are these care homes. As such, they do give up a degree of their privacy because they are businesses.

"So the argument that these care homes' privacy is being invaded, while I do understand, they are no different from these kinds of restaurants and other care facilities that I just mentioned. I also want to say that we are balancing the inconvenience of the care home operators with the need to protect our elderly. When I balance those two things Mr. Speaker, I think the inconvenience is a small price to pay for protecting our elderly. So I just want to urge this Body to support this bill. One more death due to neglect is one too many."

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

"I rise in opposition to the bill. I think that I agree with previous speakers in that we are comparing apples and oranges. Because I think an annual inspection definitely is administrative. They look into records. I also believe giving some notice will prepare the seniors who are going to have their privacy invaded, and possibly many hours of people going and snooping around, under their bed, into their private space, and I think they will get really upset about this. So I think the preparation is not a bad thing.

"I think what we are hearing from everyone is we need to really have these spot-checks and these spot-visits. So if anything, I think we have to look at appropriations and make sure that we start dealing more with our elderly and make that a priority. So I oppose this for that reason. Thank you."

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

Representative Finnegan continued, stating:

"I would like to say that I support the bill as it is. I do realize that there are three different kinds of inspections and I would rather this bill say 'unannounced inspections' instead of 'unannounced annual inspections'.

"I'd like to also just state that I'd like to see other things. The Department of Health contracts with a retired firefighters to do inspections for fire safety. My husband used to do unannounced fire inspections for these care homes when he was a fire inspector and if we can utilize things like those kinds of resources and cross train them to as 'red flags', we can point out some of the care homes that may not be operating in the best conditions. Then that would be helped without utilizing more money out of our budget. That is one of the things that I would like to bring up.

"The other thing is elder abuse is a horrific crime and this Body must do what it can to address it. Unannounced

inspections are a key part of preventing this crime, but they are just one part. The best kind of unannounced inspection can be done by us. We have a duty, as family members, to visit our family members in these long-term care facilities. And if we do, we would notice that, especially like bed sores. I went to the Sentinel Group elderly care seminar last week. They were saying there is no way, even under sheets, that you can miss bedsores because of the smell. If you visit your family members, I think that is one way that we can be protecting our elders. Thank you."

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

Representative M. Oshiro rose to speak in support of the measure with reservations, stating:

"Thank you, Mr. Speaker. I rise in support with some reservations. Mr. Speaker, as you know, I put in a similar bill in dealing with this problem of unannounced or announced inspections. I am glad that this bill is moving forward. Let me just articulate a couple of my concerns.

"My first concern is the form of the bill. It is Relating to Adult Residential Care Homes. However in section 2 and section 3, you have two different provisions. One dealing with adult residential care homes, and another section dealing with community care foster family homes. I don't know if there is any a concern regarding the constitutionality of this measure.

"I do have a concern on this bill. Mr. Speaker, I didn't have a chance to sit in on the House hearing when this bill was heard, and some of the other bills were heard, but I did have a chance to pose a question to the Department of Health Director, Dr. Fukino. I'd just like to cover some of the questions I asked of the department through the Administrator of the program.

"I asked her, what was the significance to the Neighbor Islands, to whether the unannounced inspections are permissive or non-permissive. In other words, do you have the words 'shall' or 'may'. And this is her response. The response to the question posed regarding the permissive language 'may' was preferred over the non-permissive 'shall'. Regarding the unannounced inspections, 'may' allowed the Department flexibility in conducting inspections, as for example, for the Neighbor Islands. The intent is not to perform announced inspections for the Neighbor Islands, however should staff attempt to make a visit and no one is home, a telephone call may be made to the operator at work or another location, if that information is available, so that arrangements can be made for an inspection.

"If the language is 'shall', then when staff are on the Neighbor Island, this arrangement would not be allowed and many attempted visits would need to be made to the home, for an inspection to be conducted. Due to limited resources available, they would be hard-pressed to reschedule inspection another time or extend a nurses' time on the island.

"I then asked her this question. How many adult residential care homes does the division have under its jurisdiction? The answer: there are approximately 542 adult residential care homes, or ARCHs, with a resident capacity of 2,882. And of those 137 are licensed as expanded ARCHs with the resident capacity of 722.

"I then asked her this question. What is the breakdown, by island, between the two types of care homes? On Oahu, 450 ARCHs, 132 expanded ARCHs. On Maui, 13 ARCHs, 2 expanded ARCHs. On Hawaii, 53 ARCHs, 16 expanded

ARCHs. On Kauai, 19 ARCHs, 3 expanded ARCHs. And on Molokai, 5 ARCHs including Kalaupapa, and 1 expanded on Kalaupapa.

"I then asked her this question. How are complaints handled for the Neighbor Island residents? According to the State licensing section, there is currently a nurse consultant based on the island of Hawaii who was responsible for all facilities in Hawaii county and Maui county. As such, if able to receive and respond to all complaints, assistance was provided to her from Oahu for the purposes of investigation of complaints.

"I then asked her this question. What is the average time from receipt of complaint to entry into the care home? Twenty-four hours, days, weeks, months? The response and answer: if the complaint presents immediate harm or jeopardy, the investigation is conducted within twenty-four hours of receipt, unless the complaint is left on the voicemail after hours on a Friday afternoon. Then the investigation is conducted on the first workday. All other complaints will be investigated within two to five days of receipt.

"And finally, Mr. Speaker. How many complaints are still under investigation by the division? Currently there are five complaints that are still under investigation by the State license section, and ten complaints by the Medicare section. Thank you, Mr. Speaker."

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

"Mr. Speaker, I'd like to speak briefly in support of the measure. As a veteran of some inspections, not in the care homes, but in the nursing home and in the hospital, my own feelings are if the institution is doing what it should be doing everyday, unannounced visits should be no problem. I think maybe one of the problems is the nature of annual inspections. Sometimes they tend to be overly bureaucratic and focused on things that really aren't important, so maybe we ought to look at that.

"As to having the care home operator out of the care home when the inspection is taking place, nothing should be going on in the nursing home or the care home at that time, that isn't happening when the care home operator is there. For that reason, I support unannounced inspections. I also support having the word 'shall' rather than 'may' in any future bills. Thank you."

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

"Thank you, Mr. Speaker. I'd like to rise in support with reservations. I support the unannounced visits portion of the bill, 100%, although as my colleagues have previously mentioned, there may be some problems with the bill that need to be worked out. Thank you."

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

"Yes, Mr. Speaker. Thank you very much. I support the bill with some reservations, and I wish to incorporate the remarks of the Representative from Waipahu. I recommend to the Health Committee Chairman and the Finance Committee Chair, as they go into Conference, to look into the difference of an annual inspection, which is quite comprehensive, versus an inspection just to see if things are all right.

"I think that the Representative from Waipahu said that it compares apples and oranges, and I think we should be looking at two separate issues. An annual examination is quite

comprehensive, and it should not be unannounced. Thank you very much."

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

"I rise Mr. Speaker, to register my strong reservation. With your permission, I'd also like to incorporate the remarks of the speaker from Kalihi as my own," and the Chair "so ordered." (By reference only.)

Representative Kahikina rose in support of the measure with reservations, and asked that the remarks of Representative Arakaki be entered in 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. 914, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," passed Third Reading by a vote of 49 ayes to 2 noes, with Representatives Evans and Sonson voting no.

At this time, the Chair announced:

"May we proceed on Members? It took us 40 minutes on Standing Committee Report No. 798."

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 799) recommending that H.B. No. 507, HD 2, as amended in HD 3, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 507, HD 3, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in support of H.B. No. 507, HD 3. This bill proposes to enable a licensed emergency medical technician employed within the City and County of Honolulu's Emergency Services to retire after twenty-five years of service regardless of the EMT's age. As written, this bill will at long last put the EMT professional at parity with other public safety personnel such as police officers, firefighters and water safety officials. I believe this is a measure that is long overdue.

"The bill properly recognizes that the EMT's are often placed in physically and emotionally demanding stressful, often dangerous situations similar to other public safety personnel. In the day-to-day duties they, together with other public safety personnel often combat very dangerous issues, issues and problems such as crystal meth use, crack cocaine use and domestic violence. These personnel are putting their very lives at risk for ours. It is for that reason and those mentioned above that I urge support for this measure."

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

Representative Kaho'ohalahala continued, stating:

"I would just like to add Mr. Speaker, on a point of personal privilege. This past weekend there was an accident that involved an emergency medical technician who happened to spend half of his time on the island of Lanai serving in that capacity, and the remainder of his time here on Oahu, I believe

in the Laie area. And his passing was in the line of duty where he was on the ambulance and it went off the road and therefore his life is now passed on.

"So I want to add strong support to this and say that all of these emergency medical technicians serve us well in our communities and in the line of duty sometimes it means the loss of their own lives. And so I'd like to ask Mr. Speaker, after you take the vote on this page, that we offer to the family of Frank Tahere and his wife, Arlene, at least our support to his family to continue on, and thank you for the service that he has rendered, not just to Oahu but to the island of Lanai as well. If that could be done Mr. Speaker, I'd appreciate it."

The Chair responded, stating:

"Prior to adjournment, we will have a moment of silence on behalf of the Tahere family."

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

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

"I'm rising in strong support. I'd just like to say that the emergency medical technicians that serve our State provide a needed and greatly appreciated service to the community. They go through incredibly rigorous training, and they provide the safety network that we look to, and I think often times, we take for granted.

"I remember after an automobile accident in my high school years, how comforting it was to have the emergency technicians there to tend to the blood loss and trauma that I had experienced. And riding in that ambulance, that security and safety that they provided was very well-received, and I appreciate it a lot.

"But what sometimes I think fail to remember is that we live in turbulent times and our society, and our culture, is often under threat on a larger scale, not just accidents that may or may not happen from day-to-day living. But these emergency medical technicians are there to support and provide for us. These are the kinds of measures, this kind of bill, that we offer today that will enable them to recruit and retain new technicians. And so I urge my colleagues to support our emergency technicians and support the passage of this bill."

Representative Finnegan rose in support of the measure and asked that the remarks of Representatives Ching and Stonebraker be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, in strong support. One of the bills that the Labor and Public Employment Committee is proud to bring forward to this Chamber to pass out this afternoon is this particular bill. We heard many bills dealing with retirement benefits for various workers in our State and county system. But this one really steps forward, and I think it did Mr. Speaker, because all of us, as we reflected upon the events of September 11th, we counted the many faces and pictures that we saw of those first responders. What I mean by first responders is those real special group of people who are first to respond in times of crisis. We are talking about police, fire, and we are talking emergency medical technicians.

"Mr. Speaker, currently emergency medical technicians are provided, through contracts with either county providers or private providers, with the State maintaining oversight of the system and monitoring of the contracts through the Department of Health. Unlike the Honolulu Police Department, Honolulu Fire Department, and the Ocean Safety Division of the City and County of Honolulu, the City and County EMS Division receives its budget via contracts with the State. In essence Mr. Speaker, the State, not the counties, pay for the provisions of the EMS services for us, and thus would incur any costs to increase contract costs the EMS providers may accrue with the provisions of these retirement benefits.

"According to the Employees Retirement System, the provision of enhanced retirement benefits to the City and County of Honolulu's emergency medical technicians would increase the ERS's unfunded liability as of June 30, 2002, by \$1,169,659, and increase the total annual appropriations by \$159,210. However Mr. Speaker, when you consider the important role that the emergency medical technicians have in protecting and preserving the health and welfare of our citizens, and the hazardous conditions these people work under, I believe this is a very small price to pay for these people.

"Like the first responders, again fire and police, and the events of September 11, showed us we really have a dedicated workers who risk their own lives to protect those like ourselves. For these reasons Mr. Speaker, I respectfully ask my colleagues to support this important measure. Thank you."

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

"Mr. Speaker, I stand in strong support. I just want to thank the EMTs that rushed to my aid after my accident on February 9th. They really are the unsung heroes, and I couldn't help but notice two 'super women' sitting in the audience representing them: Kelly Fuentes and Alice Greenwood. They have done outstanding work on behalf of their colleagues. 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. 507, HD 3, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL TECHNICIANS," passed Third Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos.: 651, HD 2; 807, HD 2; 736, HD 1; 43, HD 2; 1590, HD 2; 914, HD 2; and 507, HD 3; passed Third Reading at 3:48 o'clock p.m.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 802) recommending that H.B. No. 1496, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that notwithstanding the report of the Committee, that H.B. 1496, HD 1 be recommitted to the Committee on Judiciary, seconded by Representative Lee.

At 3:49 o'clock p.m., Representative Pendleton requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:50 o'clock p.m.

The motion was put to vote by the Chair and carried, and notwithstanding the report of the Committee, H.B. No. 1496, HD 2, entitled: "A BILL FOR AN ACT RELATING TO

MOTOR VEHICLES," was recommitted to the Committee on Judiciary with Representatives Hiraki, Leong, Magaoy, Marumoto and Nakasone were excused.

At 3:51 o'clock p.m., Representative Pendleton requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:52 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 800) recommending that H.B. No. 422, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 422, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you. I stand in opposition to Standing Committee Report 800, HB 422, HD 2. I want to explain to my colleagues why I don't support this bill. I sat on the Higher Education Committee when we had people come in and talk to us, and I really felt that the University School of Nursing, the Hawaii Nurses Association, and other people there really understood why they are having trouble getting nurses. The shortage of nurses is in Hawaii and across the United States.

"And I really feel that what we need to do is support nurses and find ways to resolve the issues that they've already identified. If you look at the bill and the Center for Nursing, it is talking about getting statistics and researching more as to why we can't get nurses. So I really don't like seeing money spent, and the money will come from the nurses licensing fees for the Center of Nursing. And that is why I oppose the bill. 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. 422, HD 2, entitled: "A BILL FOR AN ACT RELATING TO A CENTER FOR NURSING," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Evans voting no, and Representative Marumoto being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 801) recommending that H.B. No. 948, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 948, HD 3, entitled: "A BILL FOR AN ACT RELATING TO EARNED INCOME DEDUCTION FOR PUBLIC HOUSING RENT CALCULATION," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Bukoski voting no, and with Representative Marumoto being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 803) recommending that H.B. No. 993, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 993, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, I want to make it very clear that I am in favor of roadway safety. However this bill is redundant and would apply State reconstructed vehicle laws to counties with populations less than 500,000 which have not already adopted ordinances regulating the inspection certification of reconstructed vehicles.

"I feel this is a homerule issue and that we shouldn't be mandating it on the State level. I think what might have prompted this bill is the safety issue on the highways where you might have 'monster truck' situations. But the County of Hawaii does have ordinances or rules on how these vehicles should be reconstructed. It is an enforcement issue and I don't think it is something that we need to pass legislation for. Leave it up to homerule."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 993, entitled: "A BILL FOR AN ACT RELATING TO RECONSTRUCTED VEHICLES," passed Third Reading by a vote of 43 ayes to 7 noes, with Representatives Blundell, Bukoski, Fox, Halford, Jernigan, Meyer and Thielen voting no, and Representative Marumoto being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 804) recommending that H.B. No. 1220, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1220, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PAROLING AUTHORITY," passed Third Reading by a vote of 50 ayes, with Representative Marumoto being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 805) recommending that H.B. No. 1234, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1234, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," passed Third Reading by a vote of 50 ayes, with Representative Marumoto being excused.

Representative Hamakawa, for the Committee on Judiciary presented a report (Stand. Com. Rep. No. 806) recommending that H.B. No. 1235, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1235, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," passed Third Reading by a vote of 50 ayes, with Representative Marumoto being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 807) recommending that H.B. No. 1236, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1236, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," passed Third Reading by a vote of 50 ayes, with Representative Marumoto being excused.

The Chair directed the Clerk to note that H.B. Nos.: 422, HD 2; 948, HD 3; 993; 1220; 1234; 1235; and 1236; passed Third Reading at 3:57 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 808) recommending that H.B. No. 293, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 293, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I was not going to speak on this measure because we almost had this pass last Session. I am in support Mr. Speaker, thank you. But when I was reading the Committee Report, there was some concern, although I noticed that almost all of the members of the Finance Committee supported this measure. As I was listening also during the discussion in Finance, I did notice some concerns and I hope that my message right now is going to maybe address some of the concerns.

"Maybe, if we could go back Mr. Speaker, about this measure in the year 2000, we introduced HCR No. 24, which commissioned the Department of Agriculture to conduct a study on the feasibility of establishing a world class farmers' market in Hawaii. The feasibility study included an analysis of demand, supply, and merchandise needs to the determine feasibility. Developing a business plan which includes a potential partnership with the private sector, that they are getting an appropriate site and developing a financial plan for implementation. Mr. Speaker, I notice that in the Committee Report, nobody went to testify against. I notice also that HCDA also gave testimony in support.

"We are looking for us a site, a location, and this is in Kakaako and the oceanfront, and I am in discussion with them right now. This is one of the areas that they are looking into as far as improving Kakaako. And according to the study, a successful world-class farmers' market must offer a wide selection of sight-seeing, shopping, dining, educational events and other social activities. A successful world-class farmers' market must offer a wide selection of fresh food and non-food products. And a successful world-class farmers' market must create a special atmosphere where vendors and shoppers can interact, and furthermore it must offer continuous year-round activities and special events to promote the marketplace.

"If you look at successful farmers' markets, Mr. Speaker and colleagues, around the country and the world, for example Pike Place Market in Seattle, Granville Island Public Market in Vancouver, and there is one in Los Angeles and also in Boston. All of these marketplaces have operated successfully for many years, and all of them have the same things in common: availability for a wide selection of fresh and non-fresh products, restaurants, entertainment, gift shops, art galleries, even museums. All of these elements can be duplicated and made available here in Hawaii and each year millions of visitors around the world come to Hawaii to experience the beauty of our Islands. A world-class farmers' market offers them a one-stop attraction for shopping, entertainment and to taste unique products of our islands and to experience our diversified ethnic foods and cultures.

"Last year, as I was saying, I also introduced a similar bill, and that was HB 2744 to appropriate funds to assess economic feasibility of building a world-class farmers' market. But

unfortunately, no appropriation was approved and subsequently it died in the Conference Committee.

"So in conclusion Mr. Speaker and colleagues, a world-class farmers' market in Hawaii is an economic strategy to showcase Hawaii's high quality agriculture products. It is complimentary value-added products that has considerable potential as a viable community development project. Providing jobs and other opportunities for the benefit of the State of Hawaii. This project is a great endeavor and it can be done. And so the first step is to provide funding for this bill. 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. 293, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FARMERS' MARKET," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 809) recommending that H.B. No. 1116, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1116, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I am going to rise in strong support of this measure. Just speaking briefly in an attempt to address the problems of sexual assault and domestic violence, congress has passed the Violence Against Women Act. And what this bill does HB 1116, HD 1, it would bring the State into compliance and enable it to receive federal funds. That is not the only reason why we want to pass it, for the federal funding, but what we do want to do is, what this measure would entail in supporting those victims of domestic violence, stalking, sexual assault. What it does is it allows them to be waived and to be exempt from some of the court costs and paperwork fees that go along with doing that. So I would just urge my colleagues to support 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. 1116, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COURTS," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 810) recommending that H.B. No. 631, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 631, pass Third Reading, seconded by Representative Lee.

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

"Standing Committee Report No. 810. I rise in support. I just wanted to ask this Body to continue the support of Hawaiian immersion language in our schools. In 1896, the Republic of Hawaii mandated that the primary language of Hawaii be English, and it is at that point that Hawaiian was no longer being taught or spoken in the families. And today by comparison, let me give you some statistics of where Hawaiian immersion has come.

"In the year 2001-2002 school year, 1,612 students are now enrolled in the immersion programs at 18 schools throughout

the State of Hawaii. Anuenue School has been nominated for the Hawaii Blue Ribbon School Program. One is able to obtain their Masters Degree today in Hawaiian Language at the University of Hawaii. Immersion students attend prestigious Ivy League colleges as well.

"So with that I would like to ask that we continue to support this and allow Hawaiian language to become a part of what we offer here in Hawaii and recognize it as our first language. Thank you."

Representative Kahikina rose in support of the measure and asked that the remarks of Representative Kaho'ohalahala be entered in 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. 631, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE HAWAIIAN IMMERSION PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 811) recommending that H.B. No. 317, HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 317, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 812) recommending that H.B. No. 1212, HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1212, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND EXCHANGES," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 813) recommending that H.B. No. 1153, HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1153, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TELECOMMUNICATIONS RELAY SERVICES," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 814) recommending that H.B. No. 1021, HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1021, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 50 ayes, with Representative Arakaki being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 815) recommending that H.B. No. 1412, HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1412, HD 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," passed Third Reading by a vote of 48 ayes to 2 noes, with Representatives Bukoski and Fox voting no, and Representative Arakaki being excused.

The Chair directed the Clerk to note that H.B. Nos.: 293, HD 1; 1116, HD 1; 631; 317, HD 2; 1212, HD 1; 1153, HD 1; 1021, HD 1 and 1412, HD 2; passed Third Reading at 4:05 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 816) recommending that H.B. No. 295, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 295, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. In strong support with some brief comments. Thank you, Mr. Speaker and members. This bill formalizes the process by which discussions will occur in the community between now and the next Session which would address the specific question of fair and appropriate payment by the State to OHA for the use of ceded lands. The discussion in meetings throughout the State will be led by the Legislature composed of members of the House as well as the Senate, in partnership with OHA and the Administration, the Lt. Governor's office, and all members of the Hawaiian organizations, of the community, who would like to participate. It is hoped that by next Session we can come with up with the response.

"It is critical that we conduct these discussions throughout the State because we need to get the people involved. Particularly the Hawaiian people, and indeed even if we knew what the correct answer was today, we would still need go through the process, and we ask for your support. Thank you."

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

"I wish to speak in favor of this with a couple of comments. One is that I am very glad that we are proceeding on this here. I think it is very important that, relative to the court order, the Legislature needs to come up with some formula for the ceded land payments. Thus far, with do not have a formula.

"I wish to add further, and that it is my understanding that I read in the paper, that the Governor of the State of Hawaii had ordered the agencies to proceed with the ceded land payments. Mr. Speaker and Members, I think that relative to the court ruling, that would not be whole at this point. This is only to inform this Body here as to what may be happening and I think it is not right. 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. 295, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC LAND TRUST," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 817) recommending that H.B. No. 21, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 21, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I am rising in opposition. Mr. Speaker, I rise in opposition to HB 21, HD 1. And I apologize that I am going to have to go through all of this, but it is a long and complicated bill. It is going to 'muck up' what is happening here in the State. This bill seems designed solely to make it difficult and expensive for the State and county governments to stimulate our economy.

"It calls for an extensive and complicated reporting system for every recipient of any benefit of almost any kind. This system would have to be in place by October of this year, only five months after the end of this Session. It is unlikely that such a plan could be devised in such short a time. Even if it were, the requirements of public hearings would make it impossible to implement. There is no funding provided for implementation in this bill.

"HB 21, also places a huge unfunded liability on the counties which are required to report, and I quote from the bill, Section 3b. "Beginning July 1, 2004 and for each year thereafter, the county shall employ the standardized registry to report to the Department of Taxation all property tax reductions or abatements which had affect during the previous calendar year."

"The City and County of Honolulu alone grants property tax reductions to tens of thousands of people over the age of 55. The cost of this registry would be an immense burden upon the county, and for what purpose? It will benefit no one. The effects upon this State will be even worse. Government stimulates the economy to benefit the citizens in a particular area or occupation. They do this so that businesses will provide more jobs which will ultimately help the economy. The most damaging burden for a business, especially a new or struggling business, is unnecessary costs. This bill would add huge unnecessary costs.

"Let me read to you some of the information that this bill requires. For the sake of brevity, I will eliminate some of the items and begin with item number 5.

"Item 5. The applicant corporation's total number of employees at the specific projects site on the date of the application, categorized by full-time, part-time and temporary status.

"Item 6. The total number of employees in the state of the applicant corporation's corporate parent, and all subsidiaries thereof as of December 31st of the year preceding the date of the application, categorized by full-time, part-time and temporary status.

"Item 7. The kinds of development assistance and values of assistance applied for.

"Item 8. The number of new jobs to be created by the development assistance categorized by full-time, part-time and temporary status.

"Item 9. The average hourly wage to be paid within one year of hiring the new employees, categorized by the number of full-time, part-time and temporary status employees, and categorized by wage bands as follows: \$6.00 or less an hour; \$6.01 to \$7.00 an hour; \$7.01 to \$8.00 an hour; \$8.01 to \$9.00 an hour; \$9.01 to \$10.00 an hour; \$10.01 to \$11.00 an hour. I

am not even finished with this paragraph, Mr. Speaker. It just goes on and on.

"Item 10. For applicant project sites located in a metropolitan statistical area, as defined by the United States Census Bureau, the average hourly wage paid, non-managerial employees in the applicant industry in the State, as most recently provided by the United States Bureau of Labor and Statistics to the 2 or 3 digit SIC number specification, as available.

"Item 11. For applicant project sites located outside of metropolitan statistical areas, the average weekly wage paid in the county, as most recently reported by the United States Department of Commerce in its county business patterns report.

"Item 12. The nature of employer aide health care coverage to be provided within 90 days of hiring the employees filling the new jobs, including any child to be born by the new employees.

"Item 13. A list of all other forms of development assistance the applicant corporation is seeking for the specific project site in the name or names of the granting body or bodies promotes that development assistance as being sought."

Representative Ching rose to yield her time, and the Chair "so ordered."

Representative Moses continued, stating:

"Thank you, Representative. A list of all other forms of development assistance the applicant corporation is seeking for the specific project site in the name or names of the granting body or bodies from which that development assistance as being sought. A narrative, if necessary, describing how the applicant's use of the development assistance may reduce employment at any site, in any United States jurisdiction controlled by the applicant corporation or its corporate parent, including events such as automation, consolidation, merger, acquisition, product line movement, business activity movement or restructuring by either the applicant corporation or its corporate parent.

"And item 15. Individual certifications by the chief officers of both the applicant corporation and the granting body as to the accuracy of the application under penalty of perjury.

"Finally this bill permits any taxpayer to sue the State for even the most trivial failure to comply with these requirements and requires the State to pay all attorneys cost.

"This will be hugely expensive to this State, wasting the people's money on attorney fees for lawsuits which benefit no one. If it is the Legislature's desire to hobble the Governor in the performance of her duties, they should find a way to do it that is less damaging to the people of Hawaii."

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

"I would just like to rise with reservations on this bill. I am noticing that there was no testimony in opposition. I just want to register my reservations and incorporate the previous speaker's remarks," and the Chair "so ordered."

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

"Mr. Speaker, in opposition. I find this measure anti-business to the max. It has a real strong anti-business attitude. I think a previous speaker did a really good job. I hope to be a

little briefer. I think the intent of this measure is good, but there are a number of areas that need a little rethinking.

"We are creating more work than is necessary in order to gather this information. The requirement that the Department of Taxation report benefits for the development assistance programs would increase the Department's workload quite a bit. I noticed the Department took no position, but noted that additional resources would be needed to comply. The Department of Taxation also remarked that reporting to the Legislature of such data would normally be confidential taxpayer information and might have a chilling effect on the taxpayers willingness to give full disclosure about their tax liability. Some of this information I believe could be proprietary.

"Finally, I think the purpose of trying to recapture money from recipients who do not achieve their job, wage, and benefit goals could be acquired through a standard audit process that might disclose any failures. This is a really sweeping measure. It is also a mandate to the counties, and I believe the previous speaker alluded to that, from Kapolei. Mr. Speaker, this requires many entities to report and many entities to collect information, but no resources to digest and analyze the data. Please vote no."

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

"Mr. Speaker, I rise in support. Just a couple of comments in support. First of all, I thank the Representative in particular from Makakilo, for raising some significant concerns. With respect to perhaps, what might be overly specific provisions in the legislation, I think as we move through the process, we can address some of those concerns and make sure that we don't place an undue burden on the Department of Taxation or any of the counties.

"Secondly we have discussed the problem of the confidentiality of taxpayer information, and I think it is a legitimate concern. That also can be addressed. What you can do is basically have the Department of Taxation aggregate the data into sort of sectors, and to types of tax abatements, so you are still getting a sense for what kinds of industries, and what kinds of companies, and what kinds of individuals, are receiving tax abatements. And you can still try to have some measure of accountability without betraying the confidentiality of people's tax returns.

"But I think its important to point out that the Tax Review Commission is recommending that we move in this direction, and this is not a piece of legislation specifically recommended by the Tax Review Commission. But they have said that we need cost-benefit analysis before we pass tax credits. They've also said that the Department of Taxation and the Department of Business do analysis after-the-fact on the extent to which the tax abatements, tax credits, and tax cuts that we're providing actually do what we supposed that they're doing. And that is the point of this piece of legislation. Its been passed in a couple of other states, not exactly in this form.

"The point is as we give away tens of millions of dollars, and simultaneously cut the Department of Education, and cut the University of Hawaii system. We have to take a really hard look at it. Make sure we are getting our monies worth.

"Now we are all in favor of certain kinds of tax credits and certain kinds of tax cuts in order to stimulate the economy. But it is very reasonable to expect the Department of Taxation and the Department of Business to analyze whether or not the promises being made, especially in the Legislature, before our legislative body about all the jobs that are going to be created

and the industries that are going to be created. Whether those promise ultimately get fulfilled, and that is the point of this measure.

"I agree that there is some improvement that needs to be made. But that ultimately is the point of this measure and it will help us to formulate effective tax policy."

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

"Thank you, Mr. Speaker. In opposition. I am glad to hear the reason for this bill. It comes out of the Tax Review Commission. What we have in a situation in which we suggest looking at other states as a model. I think in general that is a very good approach to take. The 49 other states besides Hawaii do something that we really should do. That is, is that they put fiscal notes on each bill that comes before the Legislature.

"The purpose of the fiscal notes is to say what is the financial impact of the specific bill involved. Instead of playing catch up ..."

Representative Saiki rose to a point of order, stating:

"Point of order. Could the Representative please confine his comments to the measure before us?"

The Chair responded, stating:

"Which I believe he is making the comments in regards to corporate disclosure, which is tied to legislation that deals with the tax credits or exemptions. There was proposed legislation in the past number of years, for all of you, dealing with fiscal notes. So please proceed."

Representative Fox continued, stating:

"So that I think would be the way to proceed. It would be is to have the fiscal notes rather than this kind of burdensome legislation, where the burden really goes on to the corporations and the counties and others rather than on us, where it should be. We should fund fiscal notes, and we should put them into effect. So that would be the better course of action.

"I am sure the Tax Review Commission would put that question directly, they'd pop right back, "Sure, you shouldn't be passing legislation on taxes without putting an evaluation on it, that determines what the actual cost of the tax credit is."

"I would also like to say that the previous speaker referred to cuts in the education budget. This is a form of conversation that I am not inclined to agree with. When the budget is going up, you are not cutting the budget. Thank you, Mr. Speaker."

Representative Finnegan rose in opposition to the measure and asked that the remarks of Representatives Moses and Fox be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"Yes, Mr. Speaker. I wish to speak in favor of this with relatively minor reservations. This is basically a very good bill. We should make an evaluation of tax credits and etc., that we have. I think that is a very good idea. However the tax office presently does not have sufficient staff to do the job that it is supposed to right now. And I believe that if we are going to, my recommendation to this Body here is, if we are going to pass this bill out, and I believe it does have a lot of merit, it should go with commensurate staff to the Department of

Taxation. That they can do this job, plus what they are supposed to be doing right now. Thank you very much."

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

"Thank you, Mr. Speaker. I rise in support of this measure. There was a previous comment made about fiscal notes. I am not opposed to fiscal notes. In fact I think it is a good idea. For example in the State of Minnesota, anytime there is a measure before the Legislature, the affected agency has to submit a fiscal note as to the short and long-term impact of that bill.

"I'll give you an example. If someone proposes increasing the fishing license fees in Minnesota, from \$10 to \$25, whatever it is, then of course, the affected agency has to come up with a fiscal note saying what would be the impact and revenues generated, but also potentially what would be the number of people who would no longer renew their fishing license or get a fishing license because it is too prohibitive. That requires extra resources for every affected agency to provide these fiscal notes. What the intent of HB 21, HD 1, is to do, is precisely what the Tax Review Commission pointed out as a shortcoming in our current statute.

"Let me give you another example. A developer comes in and says, "If you give me \$25 million in tax credits, I promise you I will create a thousand jobs, good jobs", and we leave it as that.

"So we pass that tax credit out. Under our current system, there is no way, and even if there is a fiscal note, there is no way to monitor whether or not indeed, that developer created any job, much less thousands of jobs. Much less, jobs at what wages and what benefits. And if 1, or 2, or 3, or 5 years down the road, we find out that, that developer indeed created only a 100 jobs, what this bill would provide is what is known as a 'claw-back' provision. We would be able to reach in and 'claw-back' some of that credit and say, "Hey you didn't live up to your end of the bargain and therefore we are calling in our chips."

"I think it is responsible tax policy. I think the points raised by previous speakers about some of the things in the bill that may need 'tweaking' are legitimate, and we should take a look at that. But let's look at the overall intent of the bill."

Representative Halford rose in opposition to the measure, stating:

"Thank you, Mr. Speaker. In opposition. If we want to tie our tax credits to specific performance, we can do that in the bill that provides the tax credit. Thank you."

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

"I rise to speak in support of the measure. Mr. Speaker, I've heard repeatedly on this floor, various members talk about fiscal responsibility, and I think this measure, well again, could use some tweaking. You know, it directly strikes at fiscal accountability and fiscal discipline, and given that the Governor has indicated this is the direction that she wants to proceed in, this is precisely the kind of measure that we do need. Because while you can talk about fiscal notes and getting some kind of cost on specific legislation, many times the kinds of tax credits we've passed during the past several Sessions, because of the economic situation, because of the economic realities that we face, yet we are not sure when we pass it what, ultimately, are going to be the consequences.

"Again, the Tax Review Commission, when we held the briefing with them the Finance Committee, did indicate this to be one of the areas that we really need to follow up on and to look in to. Because otherwise if what is purported to occur at the time the legislation is passed, and if you look at some of the tax credits we've passed, it spans over a period of 3 to 5 years to 10 years. Are any of us going to be around to look at fiscal accountability? A lot times, it is not easy to know what measure will, you know, really will trigger economic development, and really create the jobs and therefore, prudence. Prudence will dictate that these are the kinds of measures that will allow us the tools to be able to truly measure effectiveness in the kinds of legislation we pass. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I will be brief. I am voting no on this measure. While I can see the merit of this 'claw back', bringing it back, it is after the fact. I wanted to read a paragraph from some testimony that the Tax Foundation made that I think we should all take heed as to what he recommends.

It has been noted that disclosure of what would otherwise be confidential information on a tax return, can be addressed with a simple prerequisite, securing a tax benefit that the taxpayer makes the public disclosure of this information. While the information was not made available to the public at large, the exemption granted to inter-island cruise ships from the public service company tax at the time of its last renewal, required the company to submit financial information that would otherwise have been confidential, if it wanted to claim the exemption. Such a requirement could be attached to all tax incentives as a precondition of obtaining the tax incentive. Not coming in after the incentive has been passed and given and then say, "Oops, we are not sure you should get it. We are changing the game now."

"That is one of the problems with this bill. We should look ahead, and this would be the responsible thing to do. 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. 21, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CORPORATE DISCLOSURE," passed Third Reading by a vote of 40 ayes to 11 noes, with Representatives Blundell, Finnegan, Fox, Halford, Jernigan, Marumoto, Meyer, Moses, Ontai, Stonebraker and Thielen voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 818) recommending that H.B. No. 1003, HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1003, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 819) recommending that H.B. No. 176, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 176, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in favor of HB 176, HD 1. I would like to take this opportunity to thank Representative Hiraki, who introduced this bill. It expands the current Weed and Seed Program by allowing the Department of Public Safety to contract with non-profit corporations."

The Chair addressed Representative Ching, stating:

"Just to clarify it once more for the Members, when you make the acknowledgement of your colleague, it is from the district where he or she is from. So he is from Downtown Honolulu."

Representative Ching continued, stating:

"The Representative from Downtown. Thank you very much, Mr. Speaker.

"This measure also requires submission of a annual report to the Legislature. But more importantly what it does is it coordinates policy, disperses public funds and implements community plans.

"The measure is crucial, I believe, in preventing, reducing, controlling violent crime, drug abuse, gang-related criminal activity in our communities. It encourages a collaborative effort among law enforcement, government agencies, social services, local courts, and private business to rid our communities and neighborhoods of crime and related problems. The measure will create a public-private partnership between the Department of Public Safety and non-profit organizations to coordinate Weed and Seed strategies and the disbursement of public funds. Residents, organizations, community leaders support this bill because the program works. For these reasons, I support and urge its passage. Thank you."

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

"Mr. Speaker, I'd just like to also add my strong support for the Weed and Seed Program. As you know Mr. Speaker, this program works because it is a community based initiative working cooperatively with the State, federal, and county government.

"In my district, in Chinatown, the Weed and Seed Program has successfully reduced crime by over 60%, which is quite astonishing. We hope for similar results in the new Weed and Seed districts of Ewa and Waipahu. And just last week, we heard some good news that Kalihi, and parts of Kaheka and Keamoku Streets are preliminarily approved as new Weed and Seed sites. We hope that the program can be expanded in the future to include parts of Liliha, Waianae, Nanakuli, and hopefully parts of the Big Island. The Weed and Seed director, Maile Kanemaru, should be commended for all her good work. Thank you."

Representative Stonebraker rose in support of the measure and asked that the remarks of Representatives Ching and Hiraki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Stonebraker also asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Stonebraker's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 176 HD 1.

"This bill proposes to bring law enforcement, government agencies, social services, local courts, and private businesses to

"weed out" criminal elements in the community. At the same time, it puts "seeding" efforts in place to improve the community and to develop positive relationships between the residents and police.

"As written, this bill will:

Be part of a national strategy organized by the Department of Justice, managed through the U.S. States Attorney Office, and implemented by local communities, residents, businesses, agencies and law enforcement.

Bring swift and effective law enforcement strategies to designated communities in Hawaii outside of the already successful implementation in the Chinatown-Kalihi-Palama site; to areas like Moana-Kakaako. Crime has already been reduced by 70% in the Chinatown-Kalihi-Palama site since 1998.

Enable communities to identify their own priorities and strategies, making each community's strategy unique and ensuring long-term results beyond the Weed and Seed designation.

"The model of community collaboration to prevent crime and to promote better alternatives is a proven long-term solution to a long-standing community problem. For that reason, I am in support of HB 176, HD 1."

Representative Arakaki rose in support of the measure and asked that the remarks of Representatives Ching and Hiraki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

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

Representative Meyer rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"I'm standing in support of HB 176, with some minor reservations. The Weed and Seed Program is an outstanding program that represents effective solutions with results from law enforcement and community group's cooperation. Weed and Seed works with local law enforcement to prevent, control, and reduce violent crime, drug abuse, and gang activity in targeted neighborhoods by "weeding" out the criminal element in the community. Community policing involves having police officers work closely with community residents to develop solutions to violent and drug related crimes. The next step is to "seed" the community with human services that include prevention, intervention treatment, and neighborhood revitalization. I agree that we need more of this type of cooperative action and thinking.

"My reservation is that the Department of Public Safety has made it clear that they will not be able to administer the program.

"Premature expansion plans could jeopardize a good program presently in place. Let us make this a priority for the future and set aside the resources to do it right."

Representative Kahikina rose in support of the measure and asked that the remarks of Representative Ching be entered in 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. 176, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 820) recommending that H.B. No. 1127, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1127, HD 2, pass Third Reading, seconded by Representative Lee.

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

"On Standing Committee Report No. 820, I wish to speak in favor with some very serious reservations. First of all, I recognize that the DBEDT is not ready to provide a final report to the Legislature as was mandated by the bill, Act 77, that we passed last year. They should be providing us with a final report sometime in April.

"However, this bill does have a couple of items that concerns me. One, of course, it does mention that there is a cap on wholesale and retail. I believe Act 77 has provided a cap on the retail sale of regular gas, and not on wholesale. Although I believe that it should have been on both on retail and wholesale, and not just on one item.

"Number two, this bill does mention that they will be preparing the report in time for the 2004 Legislature. That means that we have to wait one year more. It also means that the low volume service stations, in rural areas primarily, will have to continue with this cloud over them. It means that they won't be able to go to the bank for money, for operational money. They will not be able to improve their service stations with any capital improvement money. The banks will not give them money because right now, the bill as it states says that there will be a cap on regular gas, so that will certainly affect their revenue flow.

"So the question is for these service stations, time is of the essence. There should not be a delay and for another year. They all call it the 'fish or cut bait' theory. If the report comes out and it says that it is okay to have a cap on regular gas, then we should proceed. But if the report in April comes back, which I suspect it will Mr. Speaker and Members, saying that, and this is also what they said in the preliminary report that we had in January, that gas caps on regular gas does not work. They came from Washington and all over, yet we are still not doing anything. And that surprises me.

"If we are looking to get a more comprehensive picture, as I was advised by the Chairperson, and to include divorcement in some other areas. If we are going to do it this year, then I would support this bill with those reservations. But Mr. Speaker and Members, if we do nothing this year, and then the final bill comes up for acceptance, I will be voting against this bill. And I will be asking the members to vote against Act 77, if there is no remedy for the small service stations.

"There are many of you that are living in communities where you have little service stations that are being currently affected.

So I wish that this Body here would insist upon the parties involved, that they do provide appropriate legislation before the end of this Session, Mr. Speaker. Thank you very much."

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

Representative Kawakami rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I rise to speak with reservations on HB 1127, HD 2.

"The intent of this bill is simply to give the Department of Business, Economic Development, and Tourism more time to finish conducting an independent analysis of gasoline price caps before the effective date of the price caps in 2004. I think adequate time to have a thorough report on this subject is essential. However, the language of the bill largely addresses the need for gasoline price caps, a subject that I am still a little uncomfortable supporting. Though it is possible that this report, if given more time, would produce evidence that the price caps would adversely affect our businesses and are therefore not economically feasible, I doubt that the nature of the report will be unfavorable. In that sense, this bill continues to support putting price caps in place, something I am afraid will be hard on Neighbor Islands such as Kauai.

"Though I believe that we should protect our consumers in any way we can, I am wary to use this kind of tactic to protect them when we know so little about the effect it may have on our already struggling businesses. If this report were analyzing this effect, or establishing a way to absolutely counteract any unfavorable repercussions a cap like this may have, I might be apt to more fully support its continued work and research. I do not want to see the people of Hawaii suffer due to atrocious gas prices which make it harder to run their vehicles, but neither do I want to see them suffer due to ineffective gasoline price caps which make it harder to run their businesses.

"Regardless of what this report reveals as it continues, I hope we will take into consideration our struggling businesses and economy along with our rising gas prices. Let us remember, in all of this, that our resources should also be focused on other forms of energy, some day rendering caps on, and the sale of, gasoline useless. Only when alternate sources of energy are ready and reliable will we truly be protecting our consumers, businesses, economy, and our future."

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

"Like wise, Mr. Speaker. I would like the words of the Speaker Emeritus entered as my own, and in addition I'd like to read a paragraph of a letter from the Hawaii Coalition of Retail Gasoline Marketers. They said that:

Economic survival of many of us depends on whether you address this issue this year.

"I think they wrote to each legislator.

The gas cap is hurting our businesses now. We are unable to invest capital into our businesses without knowing when, or whether, we will be able to earn back the investment. Lenders have made it clear that they are negatively considering the price cap when deciding whether to approve

loans to us. Since the enactment of the gas price cap, five retail service stations on Oahu have been closed and no new service stations have been opened.

Evidence that the gas price cap will not work in lowering prices is already in. We are enclosing a copy of testimony presented a few weeks ago by the Federal Trade Commission. The FTC unequivocally states that the gas price cap will:

- 1) Create gasoline shortages.
- 2) Fail to reduce prices and may, in fact, raise prices most of the time.
- 3) Reduce quality and create inefficiency.

"I hope that this bill will turn into a measure that can repeal the gas cap bill. I think it was not a wise decision last year. I ask for your consideration during the course of this session, hopefully we will be able to do the right thing for the consumers for this State. Thank you.

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

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

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

At 4:40 o'clock p.m., Representative Herkes requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 4:45 o'clock p.m.

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

"I would like to ask if I have a conflict of interest. My husband and I do own an interest in a service station," and the Chair ruled, "no conflict."

The Chair then added, stating:

"Members, this is in regards to Standing Committee Report No. 820, HB 1127, HD 1, where Representative Meyer asked if she had a conflict in regards to being an owner of a service station in Ka'u. The Chair recommends there is no conflict because she is a class of many owners of gasoline stations."

Representative Sonson rose in support of the measure with reservations, and asked that the remarks of Representatives Souki and Marumoto be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

Representative Kahikina rose in support of the measure with reservations, and asked that the remarks of Representatives

Souki and Marumoto be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

Representative Hale rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Tamayo rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

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

Representative Finnegan rose in support of the measure with reservations, and asked that the remarks of Representatives Souki and Marumoto be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Magaoay rose in support of the measure with reservations, and asked that the remarks of Representative Souki be entered in 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. 1127, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY RESOURCES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 821) recommending that H.B. No. 756, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 756, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 822) recommending that H.B. No. 1111, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1111, HD 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Third Reading by a vote of 51 ayes.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 823) recommending that H.B. No. 1498, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1498, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I rise in support of this measure. I would like to ask for the continued support from the Members

here. This is to provide for an emergency air medical helicopter which would help to support the fixed-wing air medical emergency aircraft that is currently servicing Maui county. Just a reminder that Maui county is four islands, and most of our islands are in rural areas or rural communities that have very limited access to them.

"This bill will call for use of a emergency helicopter, medical helicopter in cases where it is inaccessible and that the fixed-wing aircraft would not be able to support any kind of medical emergency, whether it is trauma to be air vacced out of any of the islands of Maui county.

"I also want to remind this Body that these islands sometimes are restricted by weather, so that low ceiling will not allow a fixed-wing air craft to land on Lanai, Molokai, or even West Maui for that matter, and therefore the emergency helicopter might be the only kind of aircraft that would be available to help provide for these kinds of services. So I want to stand in strong support and ask this Body to continue to support this measure."

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

"Yes Mr. Speaker, I wish to voice strong support for this measure and I want to thank the Chairs of the Health Committee and the Finance Committee, and their members for passing this very important legislation. Also Mr. Speaker I would like to incorporate the remarks of the Representative from Lanai as my own," and the Chair "so ordered." (By reference only.)

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

Representative Blundell continued, stating:

"I also would like to add that, one other thing that happens in my district, fixed-wing cannot get in there during the night-time because the West Maui Airport is not lit. So the helicopter could still service West Maui during the night hours, which is, of course, when a lot of these accidents happen. 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. 1498, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR EMERGENCY MEDICAL AIR TRANSPORT SERVICES FOR THE COUNTY OF MAUI," passed Third Reading by a vote of 51 ayes.

The Chair directed the Clerk to note that H.B. Nos.: 295, HD 1; 21, HD 1; 1003, HD 1; 176, HD 1; 1127, HD 2; 756, HD 2; 1111, HD 2; and 1498, HD 1; passed Third Reading at 4:51 o'clock p.m.

At 4:51 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:43 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 831) recommending that H.B. No. 550, HD 1, pass Third Reading.

By unanimous consent, Stand. Com. Rep. No. 831 and H.B. 550, HD 1, was deferred to the end of the calendar.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 824) recommending that H.B. No. 32, HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 32, HD 2, pass Third Reading, seconded by Representative Lee.

At this time, Representative Ontai offered Floor Amendment No. 2, amending H.B. No. 32, HD 2, as follows:

SECTION 1. House Bill No. 32, House Draft 2, is amended by deleting its contents and inserting the following language to read as follows:

"SECTION 1. It appears that Hawaii's unitary, centralized school governance system is outmoded in relation to the needs and desires of today. The centralized allocation of school funding is well worth retaining. But for almost thirty of the forty years since our school governance system was written into the state constitution, there have been calls for decentralizing it. Polls suggest the public wants decentralization, and neighbor island residents feel that it is the only way their children's needs will ever be addressed in the ways they wish them to be.

Experience shows that a decentralized system would permit far more diversification to accommodate the needs of particular groups and would thus function more effectively. Research shows a number of advantages for establishing local districts -- for example, that the larger a school district is, the lower the achievement of its students. Hawaii's centralized system is the size of Philadelphia's, the eighth largest system in the nation. Although Hawaii has introduced several reforms that presumably promised decentralization, that has not occurred. We can afford to assure it now, however, since our standards provide extensive direction from the state, and the checking of school effectiveness will provide sufficient state oversight. Many hold that the switch that standards-based education represents -- from input control of schools (mandates, regulations, monitoring) to output control (assessment of school effectiveness) -- will enable schools to operate more efficiently and effectively. The purpose of this Act is to facilitate the decentralization of public education.

SECTION 2. Chapter 302A, Hawaii Revised Statutes, is amended by adding a new part to be appropriately designated and to read as follows:

"Part . SCHOOL GOVERNANCE

"§302A-A School districts; establishment. (a)

The State shall be organized into nine school districts as generally provided for in the state constitution. In the case of Oahu and Hawaii, the composition of each of the districts on each island shall be determined by an apportionment commission as provided for in section 302A-E in a manner consistent with the general boundaries set forth in the state constitution; provided that to the extent feasible, each of the five districts located on Oahu and the two districts located on Hawaii shall contain approximately the same number of schools.

302A-B District boards; duties; powers; composition; qualifications; elections; term, vacancies. (a) There shall be a local district school board of education for each of the nine districts provided for in section 302A-A and the state constitution. Each district shall formulate and implement educational policies and objectives for the district not inconsistent with statewide educational standards.

(b) Each district board shall be principally accountable and responsible for the development of educational objectives and the delivery of regular education within its district.

(c) Each district board shall be principally accountable and responsible for the development of an annual district wide budget for the delivery of regular education within the district. The annual district wide budget shall include, but shall not be limited to, allocations for:

- (1) District board expenses;
- (2) Salaries for teachers, staff, and the district superintendent;
- (3) Contracts for the delivery of services within the district, including repair, maintenance, or construction of facilities;
- (4) Existing or new educational programs; and
- (5) Debt service.

The annual district budget shall be submitted to the state board of education and the superintendent of education no later than ninety days before the end of the fiscal year.

(d) The members of the district boards shall serve without compensation, but may be reimbursed for expenses necessarily and reasonably incurred in the performance of their responsibilities. The district boards shall conduct public meetings and shall solicit the opinions and expertise of stakeholders, including parents, students, teachers, school administrators, community members, and other interested parties.

(e) Each district board shall consist of five members elected in a nonpartisan manner by registered voters in their respective districts. Each district board shall select a chair from among its members. Each district board shall also select a member to serve as the district representative to the state board of education.

(f) No person shall be eligible for election to a district board unless the person is a registered voter and a resident of the district from which the person is to be elected. No member of a district board shall hold or be a candidate for any other public office under the state or county governments in accordance with Article II, section 7, of the Constitution of the State; nor shall a person be eligible for election to a district board if that person is also a candidate for any other public office under the state or county governments.

(g) Members of district boards shall serve for a term of four years, which shall begin on the day of the election of the elected members. Any vacancy that occurs through any cause other than the expiration of the term of office shall be filled by the appointment of a new member by the majority vote of the remaining board members.

(h) The members of a district board shall be elected at an election in which the five candidates who receive the most votes shall be elected. In the event that there are not enough qualified candidates to fill the seats on a district board, the elected members of the district board shall appoint members to fill the remaining seats by consensus vote.

(i) For those districts with a military presence, each district board shall invite the senior military commander in Hawaii to appoint a nonvoting military representative to the district board, who shall serve for a four-year term without compensation. As the liaison to the board, the military representative shall advise

the board on district education policies and departmental and district actions affecting students who are enrolled in public schools as family members of military personnel. The military representative shall carry out these duties as part of the representative's official military duties and shall be guided by applicable state and federal statutes, regulations, and policies and may be removed only for cause by a majority vote of the members of the board.

(j) As used in this section, "public office" does not include notaries public, reserve police officers, or officers of emergency organizations for civilian defense or disaster relief.

(k) Each district board may employ staff in order to effectuate the purposes of this chapter, but may employ no more than fifteen staff members.

§302A-C School districts; district superintendents; appointment and qualifications. (a)

Each local district board shall appoint a district superintendent for its district by majority vote and fill any vacancy occurring in that position.

(b) A local district board may remove its district superintendent at any time by majority vote.

(c) The district superintendent shall hold no other public office or other employment.

(d) The district superintendent shall be paid a salary as determined by the local district board. The district superintendents shall be exempt from chapters 76 and 89.

§302A-D School districts; district superintendents; powers and duties. (a)

District superintendents shall assist the district boards in:

- (1) Implementing the district wide educational policies formulated by the local district boards;
- (2) Helping formulate local district objectives and benchmarks;
- (3) Allocating moneys to each school within the district; and
- (4) Creating the annual district wide budget.

(b) District superintendents shall be responsible and accountable for the delivery of all administrative services, within their respective areas, which shall include:

- (1) Personnel, fiscal, and facilities support; and
- (2) Monitoring of compliance with applicable state and federal laws.

(c) Each district superintendent shall:

- (1) Hire staff as necessary, subject to the approval of a majority of the local district board;
- (2) Contract for or employ consultants, counsel, or other outside parties as necessary to design, implement, or evaluate the plan for the school district and to properly operate the school district;
- (3) Set goals, in consultation with the district board, for the district's educational, financial, and management progress;
- (4) Have the responsibility and authority to hire, evaluate, and participate in the appointment and reappointment of

all principals and vice principals as deemed necessary, for each public school within the district;

(5) Issue an annual report to the local district board, which shall be made available to residents of the district, and include results of achievement measurements made under this section, and delineate the nature of any reforms and corrective action being taken in response to unacceptable achievement levels. The report shall also contain descriptions of efforts undertaken to improve the overall quality or efficiency of operation of the district, shall list the source of all district revenues, and shall contain a description of all district expenditures during the preceding fiscal year;

(6) Ensure that the parents and guardians of the district's students are informed in a timely manner of any changes being implemented within the district;

(7) Institute policies to elevate the standard of teaching of schools in the district; and

(8) Inspect and survey all public schools within the district and notify the local district board of the need for repairs and maintenance.

(d) If requested by a school within the district, district superintendents may assist a school in designing pedagogy, educational structures, instructional programs, and organizational structures within schools.

§302A-E School district apportionment commission; duties; composition. (a)

There shall be a school district apportionment commission, which shall be responsible for determining the boundaries for each school district on the islands of Oahu and Hawaii. The first school district apportionment commission shall be constituted no later than thirty days after the effective date of this Act and shall designate the precise geographical boundaries of each school district on Oahu and Hawaii by proclamation issued no later than the one hundred days from the date of certification of its members, effective for the following school year. The composition of the first school district apportionment commission shall consist of the following:

- (1) Five members from Oahu as selected by the Governor;
- (2) Two members from the island of Hawaii as selected by the Governor;
- (3) One member from the island of Maui as selected by the Governor;
- (4) One member from the island of Kauai as selected by the Governor;
- (5) One member appointed by the governor from a list of three or more candidates provided by the speaker of the house of representatives; and
- (6) One member appointed by the governor from a list of three or more candidates provided by the president of the senate.

Thereafter, concurrent with the constitution of a reapportionment commission pursuant to Article IV of the state constitution, a school district apportionment commission shall be constituted and the school district apportionment commission shall, by proclamation issued no later than one hundred days from the date of certification of its members, designate the precise geographical boundaries of each school

district on Oahu and Hawaii effective the following school year.

(b) For subsequent reapportionments, the school district apportionment commission shall consist of seven members as follows:

- (1) One member from each of the five districts located on Oahu as selected by each respective district board;
- (2) One member from each of the two districts located on Hawaii as selected by each respective district board;
- (3) One member from the district located on Maui as selected by the district board;
- (4) One member from the district board located on Kauai as selected by the district board;
- (5) One member appointed by the governor from a list of three or more candidates provided by the speaker of the house of representatives; and
- (6) One member appointed by the governor from a list of three or more candidates provided by the president of the senate.

(c) Members of the commission shall serve without compensation, but shall be reimbursed for necessary expenses, including travel expenses, incurred in the performance of their duties under this section.

§302A-F State superintendent of education; powers and duties; selection. (a) The superintendent of education shall serve as the liaison between the state board of education and the governor and shall be responsible for allocating moneys to the district boards of education per the funding formulae established by the state board of education. The superintendent of education shall also be primarily responsible for the implementation and meeting of statewide standards and for the general supervision and management of the department of education.

(b) The superintendent of education, in consultation with and subject to the approval of a majority of the local district boards, shall:

- (1) Propose a budget to the governor that shall reflect the overall goals and objectives of the department and each of the local district boards;
- (2) Facilitate coordination among and between school districts;
- (3) Assess, and establish, in conjunction with the state board of education, minimum statewide standards for the performance of public schools in each district, including charter schools;
- (4) Allocate the departmental budget to the district boards and supervise all federal and nonstate funds;
- (5) Assist school districts, as requested, with applications for federal and nonstate funds;
- (6) Create, in conjunction with the state board of education, funding formulae to allocate money to each district based upon student need and enrollment within the district; and

(7) Employ staff and consultants as necessary for the proper and efficient administration of the department, subject to state board of education approval.

(c) The superintendent of education serving as of the effective date of this Act shall serve as the superintendent of education until such time as the district boards select a superintendent of education pursuant to section 302A-G of this chapter. For purposes of selecting a successor superintendent of education, the term of the superintendent of education shall end on the last day of the superintendent's current contract.

§302A-G State board of education; powers and duties. (a) The state board of education shall be composed of representatives selected by each district school board as provided for in the state constitution.

(b) The state board of education shall have the power to appoint and remove the state superintendent of education. The state board of education shall select the state superintendent of education by majority vote. A superintendent of education shall serve for a term of five years, which shall begin on the day of the election of the superintendent. Any vacancy that occurs through any cause other than the expiration of the term of office shall be filled by following the same process as used for the selection of the successor superintendent. The state superintendent of education may be appointed without regard to the state residency provisions of section 78-1(b).

(c) The state board of education shall have the duty and the power to create funding formulae, based on student need and enrollment, to fund each district board of education. In creating funding formulae, the state board shall account for the different funding needs of different classification of children, such as special education students.

(d) The state board of education shall have the duty and the power to formulate statewide education standards.

(e) The state board of education shall have the power to oversee equity issues and compliance with federal law.

(f) The board may adopt rules pursuant to chapter 91 for the purposes of this section.

SECTION 3. Chapter 26-12, Hawaii Revised Statutes, is amended to read as follows:

"§26-12 Department of education. (a) The department of education shall be headed by ~~[an executive board to be known as the board of education.~~

~~Under policies established by the board, the superintendent] a single executive to be known as the superintendent of education who shall [administer programs of education and public instruction throughout the State, including education at the preschool, primary, and secondary school levels, adult education, school library services, health education and instruction (not including dental health treatment transferred to the department of health), and such other programs as may be established by law] :~~

- (1) Formulate, in conjunction with the state board of education, statewide educational standards;
- (2) Be responsible for the supervision and management of the department; and
- (3) Be responsible for the allocation of moneys to each school district pursuant to the per student funding formulae created by the state board of education; and

(4) Be responsible for the collection and compilation of data related to the success of each of Hawaii's public schools.

(b) The state board of education, with the approval of a majority of district superintendents, may set the salary of the superintendent, or remove or retain the state superintendent of education by a majority vote. The superintendent of education shall hold no other public office or other employment during the superintendent's term of office. The superintendent of education shall be exempt from chapters 76 and 89.

(c) The department shall serve as the central system responsible for the interpretation and implementation of statewide academic standards, intervention upon a district's failure to meet standards and noncompliance with federal laws, and preparation and transmission of annual budget requests to the governor based upon budgets submitted by each district.

~~[The state librarian, under policies established by the board of education, shall be responsible for the administration of programs relating to public library services and transcribing services for the blind.~~

~~The functions and authority heretofore exercised by the department of education (except dental health treatment transferred to the department of health), library of Hawaii, Hawaii county library, Maui county library, and the transcribing services program of the bureau of sight conservation and work with the blind, as heretofore constituted are transferred to the public library system established by this chapter.~~

~~The management contract between the board of supervisors of the county of Kauai and the Kauai public library association shall be terminated at the earliest time after November 25, 1959, permissible under the terms of the contract and the provisions of this paragraph shall constitute notice of termination, and the functions and authority heretofore exercised by the Kauai county library as heretofore constituted and the Kauai public library association over the public libraries in the county of Kauai shall thereupon be transferred to the public library system established by this chapter.~~

~~The management contracts between the trustees of the library of Hawaii and the Friends of the Library of Hawaii, and between the library of Hawaii and the Hilo library and reading room association, shall be terminated at the earliest time after November 25, 1959, permissible under the terms of the contracts, and the provisions of this paragraph shall constitute notice of termination.~~

~~Upon the termination of the contracts, the State or the counties shall not enter into any library management contracts with any private association; provided that in providing library services the board of education may enter into contracts approved by the governor for the use of lands, buildings, equipment, and facilities owned by any private association.~~

~~Notwithstanding any law to the contrary, the board of education may establish, specify the membership number and quorum requirements for, appoint members to, and disestablish a commission in each county to be known as the library advisory commission, which shall in each case sit in an advisory capacity to the board of education on matters relating to public library services in their respective county.]~~

(d) The functions and authority relating to the recruitment and hiring of employees of public schools heretofore exercised by the department of human resource development are transferred to the department of education established by this chapter.

(e) The functions and authority relating to the construction and maintenance of school facilities heretofore exercised by the department of accounting and general services are transferred to the department of education established by this chapter.

(f) The functions and authority relating to the control, management, and release of the budget of the department of education heretofore exercised by the department of budget and finance is transferred to the department of education established by this chapter.

(g) The functions and authority relating to the planning of locations for new school facilities heretofore exercised by the department of business, economic development, and tourism are transferred to the department of education established by this chapter.

(h) The functions and authority relating to the acquisition and disposition of public school lands and the review of leases for department of education offices heretofore exercised by the department of land and natural resources are transferred to the department of education established by this chapter.

(i) The functions and authority relating to the provision of school health services, including counseling services, heretofore exercised by the department of health are transferred to the department of education established by this chapter."

SECTION 4. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the departments listed in Section 3 of this Act relating to the functions transferred to the department of education shall be transferred with the functions to which they relate.

SECTION 5. Upon the full transfer of functions and authority from the departments listed in section 3 to the department of education, the department of education shall devolve such functions and responsibilities to the local district boards to the greatest extent possible.

SECTION 6. Section 302A-101, Hawaii Revised Statutes, is amended by adding three new definitions to be appropriately inserted and to read as follows:

"District superintendent" means the individual appointed by a local school district board of education to manage the school district.

"District board" means a local district school board of education.

"School district" means one of the ten local school districts that are determined by the school district apportionment commission established by section 302A-E, the constitution of the State of Hawaii, or by statute."

SECTION 7. Section 302A-604, Hawaii Revised Statutes, is repealed.

~~["§302A-604] — District superintendents. — The superintendent of education, with the approval of the board, shall appoint district superintendents for schools."]~~

SECTION 8. Section 302A-1101, Hawaii Revised Statutes, is repealed.

~~["C. Organization~~

~~§302A-1101 — Department of education; board of education; superintendent of education. — (a) There shall be a~~

principal executive department to be known as the department of education, which shall be headed by an elected policy-making board to be known as the board of education. The board shall have power in accordance with law to formulate statewide educational policy, adopt student performance standards and assessment models, monitor school success, and to appoint the superintendent of education as the chief executive officer of the public school system.

(b) The board shall appoint, and may remove, the superintendent by a majority vote of its members. The superintendent:

- (1) May be appointed without regard to the state residency provisions of section 78-1(b);
- (2) May be appointed for a term of up to four years; and
- (3) May be terminated only for cause.

(e) The board shall invite the senior military commander in Hawaii to appoint a nonvoting military representative to the board, who shall serve for a two-year term without compensation. As the liaison to the board, the military representative shall advise the board regarding state education policies and departmental actions affecting students who are enrolled in public schools as family members of military personnel. The military representative shall carry out these duties as part of the representative's official military duties and shall be guided by applicable state and federal statutes, regulations, and policies and may be removed only for cause by a majority vote of the members of the board."

SECTION 9. Section 302A-1104, Hawaii Revised Statutes, is repealed.

~~["§302A-1104] Learning support centers. Beginning with the 1995-1996 school year and until June 30, 1999, school-level support for curriculum and instruction shall be provided through learning support centers to be governed by schools within each complex. The centers shall assist school personnel in the delivery of instructional services by providing support through curriculum development, student assessment, staff development, and resource allocation. The types of services offered and the manner in which these services are provided by the centers, as well as the prioritization and allocation of available resources, shall be determined by policies established by each complex. Any regional administrative units established by the department shall be assigned all administrative functions and provide administrative support to the learning support centers."~~

SECTION 10. Section 302A-1105, Hawaii Revised Statutes, is repealed.

~~["§302A-1105] Compensation; expenses. Board of education members shall be allowed:~~

- (1) Compensation at the rate of \$100 per day for each day's actual attendance at meetings;
- (2) Transportation fares between islands and abroad; and
- (3) Personal expenses at the rates specified by the board while attending board meetings or while on official business as authorized by the chairperson, when the board meetings or official business require a board member to leave the island upon which the board member resides."

SECTION 11. Section 302A-1106, Hawaii Revised Statutes, is repealed.

~~["§302A-1106] Organization; quorum; meetings. The board shall elect from its own membership a chairperson and a vice chairperson. A majority of all members to which the board is entitled shall constitute a quorum to do business and the concurrence of a majority of all members to which the board is entitled shall be necessary to make any action of the board valid; provided that due notice shall have been given to all members of the board or a bona fide attempt shall have been made to give due notice to all members of the board to whom it was reasonably practicable to give due notice. Meetings shall be called and held, at the call of the chairperson or by a quorum, as often as may be necessary for the transaction of the department's business."~~

SECTION 12. Section 302A-1111, Hawaii Revised Statutes, is repealed.

~~["§302A-1111] Duties of superintendent. (a) Under policies established by the board, the superintendent shall be designated as the chief executive officer of the public school system having jurisdiction over the internal organization, operation, and management of the public school system, as provided by law; and shall administer programs of education and public instruction throughout the State, including education at the preschool, primary, and secondary school levels, and such other programs as may be established by law.~~

~~(b) Except as otherwise provided, the superintendent shall sign all drafts for the payment of moneys, all commissions and appointments, all deeds, official acts, or other documents of the department. The superintendent may use a printed facsimile signature in approving appointments, contracts, and other documents. The superintendent, at such time as may be prescribed by the board, shall present to the board full annual reports of the principal transactions within the department during the last completed year, which reports together with such recommendations as the board may think proper, shall be presented to the governor and the legislature."~~

SECTION 13. The state superintendent of education shall cause to be compiled a listing of all employees of the department whose functions will no longer be the responsibility of the state department of education. This list shall separate employees by job function, with a brief description of the job duties, and shall include the local school district in which the employee resides and works. This list shall be circulated to each district board. Upon request by the district board, the superintendent of education shall supply the district board with more detailed information of an employee's job duties. All employees of the department of education are transferred to the district boards, as requested by the district boards.

No officer or employee of the State located within a district board office or within another department of the state shall suffer any loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefit or privilege as a consequence of this Act, and such officer or employee may be transferred or appointed to a civil service position without the necessity of examination; provided that the officer or employee possesses the minimum qualifications for the position to which transferred or appointed; and provided that subsequent changes in status may be made pursuant to applicable civil service and compensation laws.

An officer or employee of the State who does not have tenure and who may be transferred or appointed to a civil service position as a consequence of this Act shall become a civil service employee without the loss of salary, seniority, prior service credit, vacation, sick leave, or other employee benefits or privileges and without the necessity of examination; provided that such officer or employee possesses the minimum

qualifications for the position to which transferred or appointed.

If an office or position held by an officer or employee having tenure is abolished, the officer or employee shall not thereby be separated from public employment, but shall remain in the employment of the State with the same pay and classification and shall be transferred to some other office or position for which the officer or employee is eligible under the personnel laws of the State as determined by the head of the department or the governor.

SECTION 14. All appropriations, records, equipment, machines, files, supplies, contracts, books, papers, documents, maps, and other personal property heretofore made, used, acquired, or held by the department of education relating to the functions transferred to the respective district board shall be transferred with the functions to which they relate.

SECTION 15. (a) The speaker of the house of representatives and the president of the senate shall convene a joint senate-house task force to:

- (1) Review all education statutes and other statutes that will require amendments to conform with or implement the provisions of this Act, including replacing references to the board of education with appropriate terms that are consistent with this Act;
- (2) Propose legislation governing elections for district board members; and
- (3) Analyze the effects of this Act with input from state, federal, and private agencies and propose improvements or additions to this Act.

The task force shall enlist the assistance of the legislative reference bureau for research and drafting of proposed legislation.

(b) The task force shall consist of three representatives and three senators, as selected by the speaker of the house of representatives and the president of the senate, respectively; provided that:

- (1) One house member shall be the chair of the house committee on education;
- (2) One senate member shall be the chair of the senate committee on education;
- (3) One senator shall represent the minority caucus;
- (4) One representative shall represent the minority caucus; and
- (5) The speaker of the house and the president of the senate shall each choose one member to act as co-chair.

(c) The task force shall submit an interim report of findings to the legislature no later than twenty days prior to the convening of the regular session of 2004. The task force shall submit its final report of findings and recommendations, including proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2005.

SECTION 16. In codifying the new sections added by section 2 of this Act, the revisor of statutes shall substitute appropriate section numbers for the letters used in designating the new sections in this Act.

SECTION 17. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 18. This Act shall take effect on July 1, 2005, and upon the ratification of a constitutional amendment creating local school district boards of education; provided that section 15 shall take effect upon approval, and section 302A-E in section 2 shall take effect upon approval and upon the ratification of a constitutional amendment creating local school district boards of education."

Representative Ontai moved that the Floor Amendment No. 2, be adopted, seconded by Representative Stonebraker.

Representative Ontai rose to speak in favor of the proposed amendment, stating:

"Thank you, Mr. Speaker. The amendment is intended to answer the challenge posed by our educational system. The general public has displayed general dissatisfaction with the system. I know that there has been some confusion about personalities, whether we dislike, or people are incompetent, or not well-liked, or whatever. That is completely irrelevant. I believe that the general dissatisfaction, Mr. Speaker, is with this system."

The Chair then stated:

"Representative Ontai, could you hold just for a seconds. Members, you all have Floor Amendment No. 2 that Representative Ontai has offered to the Chamber. Do you all of your copies so that you can follow the presentation by Representative Ontai? Okay, please proceed."

Representative Ontai continued, stating:

"Thank you, Mr. Speaker. What we are looking at Mr. Speaker, is structural change. Fundamental, deep structural change. I believe that many of the initiatives attempt to answer these, but I believe that they are insufficient. Especially most of the motions or the measures on this page.

"We are continuing, I believe, to micro-manage or to mandate from the State Capitol. I feel that it doesn't answer all the questions, and we lose lots of agility. We try to mandate meetings. The Felix Consent Decree turned out to apply to the entire system. There are repair and maintenance decisions that appear to still be done Downtown, here, and we are trying to address that. On this page with another measure. Discretionary funds. Discretionary funds to principals are trying to be decided from downtown, Mr. Speaker.

"What this bill proposes, and it is statutory language only. The intent is to furnish some details, some statutory details to accompany, if we pass, and should a measure pass to allow for people to vote for local elected school boards. And we want to answer that question, Mr. Speaker. Answer the question: What happens when we have local school boards?

"I feel, Mr. Speaker, the necessity for introducing it now is because last Session, we passed measures, constitutional amendments, as well as a statutory language, to execute classic reform in the education system. This Session I feel, Mr. Speaker, I feel we've backed off too far. And we've taken our steps forward to try to address our challenges, they have been too small. The current system cannot boldly step, we feel, in any direction. We have good people working this system but because it is so large, and so centralized, it is very difficult for the system to be agile. In fact we've heard testimony and some fears that the nationwide No Child Left Behind Act is viewed as a possible serious threat to our entire education system rather

than a challenge. A challenge that we could possibly answer in various ways.

"This measure Mr. Speaker, even though it is a little different from our last time, we are trying to engage in a discussion. Control of schools shifts to communities by establishing nine locally elected school boards. It would be consistent with our other measure that said we could have at least seven locally elected school boards. It mandates each district to prepare an annual budget. Mr. Speaker, one of the criticisms is: What is the responsibility to the State versus the local elected school boards?"

"I think I just want to focus on the two responsibilities of a local elected school board. And that is to approve an annual budget and to select its Chief Executive Officer, named a Superintendent. The key there, Mr. Speaker, is that the Superintendent is the key executive in that district. Right now, I feel that even though competent executives, throughout this system, the question is: Who do they work for? I think that is the fundamental problem. Do they work for the State Superintendent? Do they work for the Board of Education? Do they work for the public as a whole? That makes it difficult for them to be accountable or to be answerable to a set of priorities. You would think that it is most important that the community that he serves should set those priorities.

"For these reasons, Mr. Speaker, this is not a one that takes effect immediately. As a matter of fact, just for the Members' edification, it is intended to take effect in 2005, if a constitutional amendment passes in 2004. For those reasons, Mr. Speaker, I urge my colleagues to vote for this amendment."

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

"Mr. Speaker, I rise in support of the motion to amend. Mr. Speaker, the purpose of this amendment is to facilitate the decentralization of public education. To walk the Members through, this measure would establish nine local elected school boards. It would allow for a district operations to be funded on a per pupil basis, and it would allow all repairs and maintenance to be managed at the district level. This measure would allow, basically Mr. Speaker, the people to decide. What we are talking about here is having the statute, all the details, all the intricacies of this policy, to be before the people.

"In the past, when there has been constitutional amendments unrelated to education, take for example the one relating to the new tool for prosecutors. Again, I am speaking to that because that relates to this. The argument made against that is, well you are having the people vote on a constitutional amendment and there is no statute. Where are the details? How do you expect the people of Hawaii to vote on a constitutional amendment when they have no statutory details? They don't know what that policy will look like.

"What we are doing here Mr. Speaker, is purposely and intentionally having all the details up front. And as the Representative from Mililani has stated, if you look at page 32 of this floor amendment, it basically says to take effect upon approval and upon the ratification of a constitutional amendment creating local school district boards of education. So again, what we are doing is putting forth the statutory details, even if this were to pass, that they would not become the law of the land until there were the people voting to approve a constitutional amendment.

"This amendment would mandate each district establish an educational policy for districts that were not incompatible with statewide standards. It would mandate that each district prepare an annual district budget. It would provide for elected

district board members and election procedures. It provides that local districts hire district superintendents setting forth the duties and powers of that district superintendent. It would establish a school district apportionment commission for Oahu and Hawaii. It will outline powers and duties of a State Superintendent, which will be retained. It would set forth other powers and duties subject to the approval by a majority of the local district boards. There are a number of other things, Mr. Speaker, but basically, in a nutshell, this is the framework, which would allow for district school boards to set the policy.

"The thinking is that what may be applicable to schools in Hanalei may not necessarily be applicable to schools in Hilo. If they are, great. But the locals in both of those places shall make those decisions. Not all policy decisions should be made from Honolulu. We should all allow for flexibility, for tailoring educational policies to a given area. This doesn't mean that schools can lower their standards as much as possible. What it means that we allow them the flexibility to be innovative, to allow them to tailor educational policies for that particular area, to empower the local residents and to get people involved.

"Currently we have a uniformed statewide system where basically all the decisions are made from Honolulu. And when the Board travels from place to place, but still, nonetheless, you have one body that makes decisions. Unfortunately, despite the best of intentions, despite the hard work that the Board of Education has put in, the uniform system has resulted in only a uniformity of mediocre results.

"We look at the NAEP test. We look at a lot of other tests. We know that our *keiki*, our students, are capable of doing much better. We know that we are pouring a lot of tax dollars into the system. I think that we can do better and we ought to let our people have the option to vote on a measure to decentralize our school system. We have seen what decades of the current centralized system has done. Maybe it's the time now to allow locals to make those decisions and let voters be able to say, "Hey, look at this option. Let's let Windward Oahu make its decision, or let's let the Neighbor Islands make decisions relevant to their public schools." Again, the main point behind this is to let the people decide. Again, even if we pass this statute, it would just be the details. It will still take an authorizing constitutional amendment subsequent to this for this to become the law of the land.

"So for all of these reasons Mr. Speaker, I think I strongly support this and I ask Members to support this change, and to truly in effect, let the people decide on this measure. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of the amendment. With our centralized system right now, the difficulty that we face is getting the money that we have taken from command and control the centralized kind of system to the students in the classroom. We want to get the money into the classroom to buy the books, to buy the desks. We want to fund and support our teachers in the financial flow of money from the centralized system to the classroom, or to the students there is a cataract. There is an area where the money stops flowing, and that is the bureaucracy that is enabled to exist with the centralized school board. This blockage is the very thing that withholds and poses a major problem for getting the support that we need to our students and to our teachers.

"Local school boards would tear down that dam. It would tear down the dam that is short-changing our education system. Local boards would bring the dollar to the classrooms. Bucks

to buy books. You can have that Mr. Speaker. That is public domain. Anybody can use that.

"Bucks for books. Cash for the classroom. It gives the teachers the support that they need. It lowers the bar to allow the decisions to be made by community members, by parents, by those who desire to be involved. And most importantly, it puts the question back into the hands of the community. These are the citizens of Hawaii who care so much about the education of our kids. Local school boards provide the very change needed to empower both parents, and to enable teachers to do what is best for the children.

"I have an interesting story. During my first run, we had an open forum that was sort of a debate, and one of the questions was on school repair and maintenance. At that time, I still had some time to coach the wrestling team, so there I was pondering the questions for the debate that was coming up, and one of them was on school repair and maintenance. Now keep in mind, I hadn't had any experience here in the Legislature, but I was able to look at the classrooms and the wrestling room in this case. I noticed that there were fluorescent lights in the wrestling room that, some were out. So I began to count the lights that were either out or damaged, and out of the 27 fluorescent lights, 9 of them were broken. So 9 out of the 27; that was 1/3. And then in one corner of the room there was a smell of smoke. There was some smoldering because the wiring wasn't very good.

"And so this was at Kaiser High School, and I brought this up in the debate. I said, "You know, I think it is very important that we do fund repair and maintenance." And low and behold, after the election which was just a couple of weeks later, triumphant, I went into the wrestling room and there were electricians working on the electricity, the lines and so forth. And I thought to myself naively, "Wow, my word really matters. I brought that up in debate and a week later they are down here doing what I said was the problem." Unfortunately they weren't fixing the lights. They weren't fixing the smoldering wires. What they were doing was in the wrestling room, where you have padded walls, the walls are padded so that kids don't whack their heads and get big cuts and gashes. But what they were doing was they were installing the electrical boxes for the computers. This was the wrestling room for 30 years. It has never been used for classes. It will never be used for classes, nor computers.

"So as a result of somebody in downtown Honolulu making a decision for the Kaiser High School computers and electricity, the end result was now, in the wrestling room at Kaiser High School, you have sharp, metallic electrical outlet boxes at eye-level next to a padded wall. This is the epitome of why we need to move the decision from the central system to local school boards, where parents can be involved and they can say, "No, we don't need outlet in the wrestling room for computers. We need new wrestling mats. How about that? Let's get new wrestling mats for the kids. We know that Stonebraker wrestled on those mats many years ago and they're probably still smelly from it." Most of the wrestling mats have been used for 30 years, and rather than replacing those, we are sticking metal electric boxes at eye-level. Now it has created a hazard. I'd hate to think what would happen if some poor child gashed their head open and blood was everywhere, and then the State is liable for what? A centralized school system?

"We are already paying the price, Mr. Speaker. It is time that we move in this direction. It is time that we help kids, help teachers, to have the books, to have the supplies they need. And the only way to go is to move the decision-making and the empowering down to the local level. Thank you."

Representative Waters rose to speak in opposition to the proposed amendment, stating:

"Mr. Speaker, I rise in opposition to the amendment. The way I am looking at this, and please correct me if I am wrong. First we have to pass the constitutional amendment to place the issue on the ballot. This would be in 2004. Now assuming that it prevails, we would have to hold the election to elect the local board members, which would arguably be in November of 2006. If that is the case, they wouldn't take office perhaps until 2007, or at least November 2006. In a sense, we are putting the 'cart before the horse'. Whereas in HB 289, HD 2, this bill empowers the community now. Again correct me if I am wrong."

Representative Stonebraker rose and stated:

"Mr. Speaker, is the speaker speaking on the amendment or the underlying bill?"

The Chair responded, stating:

"He is speaking on the amendment before you, and that is why he is posing questions."

Representative Takumi rose to speak in opposition to the proposed amendment, stating:

"Thank you very much, Mr. Speaker. I rise in opposition to the proposed floor amendment. I know a previous speaker talked about letting the people decide. Well, this is when I should have raised a point of order, because this proposed amendment is not a constitutional amendment bill. At this point, the people can't decide. It is the people in here that will make a decision on this proposed amendment.

"The other speaker talked about local boards. I think we've come to an agreement that there will be. It's necessary and critical to have another layer, if you will, of decision-making that goes down to the community level. I think where the differences are obviously what form that decision-making should take. So arguments about whether or not we should to go a more decentralized decision-making process, in my mind, is irrelevant because we will be moving toward that. And I think we will be addressing that in another bill, but I don't want to talk about that at this point.

"Let me talk about this proposed floor amendment. I think there are four reasons why I have some concerns about it. First, it deletes the contents of a wonderful bill. That's first and foremost.

"But secondly, it is premature since it is premised upon a constitutional amendment that is yet to be voted upon. It doesn't make a lot of sense to me to create a taskforce that is expected to work throughout the rest of this year and then will submit an interim report to the 2004 Legislature to analyze the effects of this measure. After all, if the voters turn down a new governing structure, should that be on the ballot in 2004? And all this work would really have been unnecessary.

"Third, it is unconstitutional. It is unconstitutional because it violates the one person, one vote doctrine. On page 14, lines 18-19 it states: State Board of Education shall be composed of representatives selected by each district school board as provided for in the State Constitution. Well, this means that the Kauai district with 43,020 potential voters over 18, and the Honolulu district with 264,014 voters, will each have one representative on this newly constituted State board. The only way around this will be to create district boards that represent roughly the same numbers of voters. If you did this, you would

end up with at least 15 boards, if not more, if you use the Kauai population as the calculator.

"Fourth, the amendment calls for the creation of nine school districts. There is no consensus at present as to the optimum number of school districts. This is related to the third point since clearly there is no way to divide up the state into nine school districts with equal representation in a way that brings local control. You'd be forced to have the Kauai district combined with another island's district, therefore defeating the very purpose to which you want to achieve.

"Furthermore the measure before us does not explain exactly why this configuration is better than any other configuration when deciding upon local school governance. Consider the following: no state has as few as nine school boards. Vermont, with half the population of Hawaii, has 281 elected school boards. Let's look at states with roughly the same population such as Idaho and New Hampshire. Idaho has 114 local school boards, and New Hampshire has 177. And they all are very different in the number of their school boards.

"Even local school board systems vary wildly. In Maine for example, there are community school districts, school boards, municipal district school boards, school administrative school boards, union school district school boards. In Montana, there are county high school district boards, elementary school district boards, joint school district boards, and K-12 district boards. In Hawaii it may be desirable to have school boards by grades rather than by districts. A school board solely for charter schools. Another solely for Hawaiian immersion schools, or even boards that are based on a rural/urban distinction. The proposed floor amendment is silent on all of this. Besides these minor points that I have raised, I think it is a worthwhile floor amendment. Thank you very much, Mr. Speaker."

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

"Mr. Speaker, in support of the amendment. Thank you, Mr. Speaker. The previous speaker referred to the need to let the people decide. The people, we have been told, are going to vote for a constitutional amendment, if they have a sense of what the amendment is about. It is very instructive that this evening we are able to discuss a bill that would give people a good idea of what a constitutional amendment is about. As we pointed out, that can be voted on next year.

"He said that it is premature to discuss this, but we would be perfectly happy to have a constitutional amendment moving forward this year and debating it, but it is not until 2004 that we can vote on a constitutional amendment. This provides us a chance to put in place a framework that's according to the bill. You don't have to look any farther than the amendment itself. The amendment says very clearly this only goes into effect if the constitutional amendment passes. There is nothing wrong with doing the preliminary work to get ready for that event in case it happens, because if the constitutional amendment does pass, you do want to move forward.

"He said that he referred to one person, one vote, and how that is affected. He raises a very good point. One person, one vote is a relevant consideration because this bill calls for a statewide school board in which each district has one vote, so that is an absolutely relevant consideration. However the Constitution of the State of Hawaii recognizes the principle of island integrity. An island integrity was used in the last decision by the Reapportionment Commission to allow for quite considerable disparity between the elected representative districts of Kauai and the rest of the State, and to go over and create a similar disparities in relation to the Senate districts.

We finally got rid of canoe districts because we recognize the principle of island integrity.

"I appreciate the fact that the Chair of the Education Committee has raised this point because it allows us to elaborate on how this bill carefully deals with the need to handle reapportionment correctly. So on the island of Oahu, there would be five districts. By having five districts you divide the representative size of each district roughly down to where it compares with the two districts from the Big Island, which would also be decided by reapportionment decision, so they will also be equitable. So you are going to have nine districts without really widely disparate populations. It is going to work very well to meet the constitutional test of island integrity and reapportionment. So I appreciate that that was brought up.

"The previous speaker, the Chair of the Education Committee, really delighted me when he next went into discussion of how no state would have as few as nine school districts if we divided it into nine. Well the perfectly relevant point and the reason we're here discussing this is there is no state with anywhere near just one statewide school district. And there's a good reason. Because they don't work that well. We have the tenth largest district in the country. If we went to nine school districts, we'd be down to about 20,000 students per district instead of the 183,000 we have now. There are two states with considerably larger average districts. Florida and Maryland are each at 35,000, so this would be an important step forward.

"I just want to introduce evidence that smaller school districts work better. School Board member Laura Thielen recently reported that various studies on states including Georgia, Montana, Ohio, Texas, West Virginia, California and Washington States found that large school districts are detrimental to student achievement, and students in impoverished communities perform better in smaller school districts. About one-half of Hawaii's public school students are from low-income families. We need to get the smaller districts to get the better performance that would result from such a development.

"We have presently one Board, accountability diffused between several different sources. With the change we'd have one board in each district. It would be the power. It would get the fixed budget from the State. It would make its decisions at the district level. People would have a chance to meet with them.

"I live in Honolulu, as you do Mr. Speaker. The Honolulu school district, Farrington, Roosevelt, McKinley, Kaimuki, Kalani, Kaiser. Meetings would take place only in those high schools. They would rotate between those six high schools. You and I would be able to attend every school board meeting without much difficulty in contrast to the current situation that we have. The bill calls for only 15 employees at each district. That would be 135 employees total."

Representative Leong rose to yield her time, and the Chair "so ordered."

Representative Fox continued, stating:

"That's 135 employees total, thank you, for the district. Right now there are 1,300 employees either at the central or the district level. We could easily take care of the 135 employees at the district level from the current pool that exist at the central and district level.

"There has been talk about \$6 million in additional costs that is totally not necessary under this proposal. The employees at

the district level would be taken from the existing pool and we could probably, in fact, reduce the expenses through this method. I really appreciate that we have an opportunity to debate this issue the only way we're doing it, by offering an amendment. It would be better if it was considered in Committee. Thank you very much."

Representative Saiki rose to speak in opposition to the proposed amendment, stating:

"Mr. Speaker, I rise in opposition to this floor amendment. Three brief comments on the amendment and why we should vote it down.

"First, where as alluded to by the Minority Leader, and others who support this amendment, the issue for them was that we should let the people decide, and that we should present a question to them. I totally agree with that. But I believe that if we present a question to the public, that question must be well thought out, and must be comprehensive, and it must make sense.

"The floor amendment does not meet that standard and we should it vote it down for the following reasons. First it is defective. The floor amendment is missing a page.

"Second, I am not sure if this was intentional, but the floor amendment appears to eliminate the public library system because it eliminates the State Librarian's authority to administer the Library System. I believe that we should continue to the Public Library System. I don't think we should eliminate it.

"The third reason is that, as alluded to by some of the Members who spoke this evening, there is an apparent perception of that the Legislature micro-manages the Department of Education. That those who work in Honolulu micro-manage the Department of Education. They alluded to various factors in support of that argument. One being the repair and maintenance program. Second, appropriation and also discretionary funds. This bill does not address the primary concern raised by them, as far as micro-management of appropriations. This bill continues the same system of providing financing to the Department of Education. Financing will be done through a budget proposed by the Board of Education submitted to the Governor and then approved by the Legislature. This bill does not address, whatsoever, any kind of autonomy, or any kind of financing mechanism for the Department of Education.

"This amendment is not well thought out. It is not comprehensive. It is defective. And for those reasons, we should vote it down. Thank you."

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

"Thank you in support please. Mr. Speaker, this thoughtful amendment, if it passes, will go on to the Senate for their consideration, and in my view, a very much appreciated deliberation on their part. I see this as a thoughtful proposal for further consideration and further deliberation.

"If we use the standard of having to have every 'i' dotted and absolute perfection in order to pass a bill on, well over half the bills in this Body will not pass tonight. So I think it is constructive for us to take this thoughtful proposal and to put it forward for further deliberation by the Senate and likely by the Conference Committee at the end of session."

At this time Representative Halford requested a roll call vote at the appropriate time.

Representative Tamayo rose to speak in opposition to the proposed amendment, stating:

"Thank you, Mr. Speaker. I am rising in opposition to the amendment. Personally, so far, I have not been convinced that local school boards is a bad idea, nor that I have been convinced that is the perfect solution to the problems that we are experiencing in our education system. So the reason why I am opposing this amendment is because it seems to me that so far, no one has been able to agree on the set number of school boards that we should have.

"The original Governor's bill that was presented to us had mention seven. This amendment mentions nine. I've heard various other numbers mentioned in the talks that we've had about this idea, and recently our Hawaii State Student Council voted against local school boards all together. This lack of agreement, I believe, is the reason why this idea did not pass last Session when it was also introduced. So my question is: How can we present a constitutional amendment now to the voters of our State to decide upon, if we can't agree on a number of school boards that we should present to them to put on the ballot? Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, I would like to disclose a potential conflict. My daughter is on the Board of Education," and the Chair ruled, "no conflict."

Representative Thielen continued in support of the proposed amendment, stating:

"Thank you, Mr. Speaker. I strongly support the amendment, Mr. Speaker. And I think it is the right way to go. It gives the format of what we were thinking about. Not necessarily the perfect format, but at least it is one that will be as you all call it, 'a work in progress'. And then next year we go and pass the constitutional amendment, then the issue is before the voters in 2004. And basically, Mr. Speaker, this should be something that the voters have the right to decide. I see this Body as being afraid to turn it out to the voters, and I think that is absolutely wrong. The voters should be able to decide on this. Thank you."

Representative Nishimoto rose to speak in opposition to the proposed amendment, stating:

"Thank you. I rise in opposition. Very briefly, Mr. Speaker, our children, our teachers and our community deserve community control and input, but they deserve it now. Not four years from now, Mr. Speaker. They deserve it now. Our young people's futures are far too important not to take action right away, and that is why I oppose this amendment."

Representative Takai rose to speak in opposition to the proposed amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to this amendment. I think we have to look at and answer this question: What are the problems of our school system? I heard one speaker before me talk about the failures of our school system to perform adequately in terms of testing and academic process. I also heard another comment about funding. But I don't think that in these measures that we are looking at, right now, go down to the heart of addressing those problems.

"You know Members, we had an opportunity to congratulate and commend the person, although in Tampa, Florida, for

doing good work in our school system. He does work in Tampa, Florida; Orlando, Florida; Indianapolis and Hawaii. The people that he's been working with have all said that they believe that Hawaii, looking at splitting up their school system, is going in the wrong direction. As a matter of fact, if you take a look at nationwide, I can say with some confidence that, I think what states are planning, doing and trying to do, are grab and bring together school districts that have kind of fractionated and separated in the course of past efforts.

"I had an opportunity to go to the No Child Left Behind Conference in Denver, Colorado in October. Of the entire Western Region of the United States, and what struck me as very interesting at that conference is that, all the states that were there knew that Hawaii was a one-district state, and they looked at us as a model. Because the truth is, implementing something as rigorous as the No Child Left Behind Act is much easier to implement in Hawaii than anywhere else in this nation. I think we should consider that as well.

"I do think that the issue that the Chair of Education brought up regarding the one person, one vote argument is very important, because if you take a look at this amendment on our desk, it says that there is going to be five districts on Oahu. Oahu has approximately 800,000 people. About 120,000 broken up. You look at Kauai. They have three high school complexes under one complex area. Maui has two complex areas. Big Island has three complex areas. Oahu has nine. It just doesn't work. I believe under this model to divide up our whole system into what they are proposing to be nine local area school boards.

"The other big concern that I have is in regards to financing, and that is this. You take a look at the University of Hawaii. It has almost the same structure, a State Board of Regents under which we have ten campuses. The University of Hawaii Board of Regents just recently broke apart the Community Colleges, and now each of them pretty much stands alone. You wouldn't believe the amount of lobbying and attention each of them, each campus, is giving to us now because they are almost somewhat autonomous. And I think that is what we are going to be faced with if all of these local school boards get some sort of autonomy, or some sort of independence.

"We as policy makers have to take a look at not one superintendent with her board, or more like nine superintendents with their boards, plus the State Board of Education. I think we have got to be very careful in knowing what is going to work and what is not going to work. And I think there are just too many questions that are unanswered regarding the amendment. Thank you."

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

"Thank you, Mr. Speaker I stand in strong support of this amendment. In looking through the amendment, on page 16, I see that it describes what the State school board, the department, shall serve as the central system responsible for the interpretation and implementation of the statewide academic standards. Intervention upon a district's failure to see standards, and non-compliance with federal laws. And preparation and transmission of annual budget requests to the Governor based upon budgets submitted. The functions and authority relating to the recruitment and hiring of employees from DHRD to the Department of Education. Transfers the functions relating to construction and maintenance from DAGS to the Department of Education. And I won't go on to all the different ones. It creates a situation where the Department of Education has far more control and could make decisions more efficiently, and I believe that would be a big improvement over what we have now."

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

"Thank you Mr. Speaker rising in opposition. I think the Representative from Waikiki said earlier that there are no more canoe districts. I think my position to this bill is that based on the Constitution, must serve one person, one vote. I want to bring to the light that I represent four islands, and if you add Kalaupapa, that would be another island. Add Molokini, another island. But nonetheless, in this one district, the 13th district, I have eight schools on Maui Island. Of the eight schools, my schools are divided into two complexes. Lahaina complex, and then the Paia-Haiku complex.

"On the island of Lanai I have one high school, elementary, K-12, and it is part of the Lahaina Complex that stands by itself.

"On Molokai, I have six schools all belonging to the Molokai Complex. So 15 schools all together. What I cannot see in this proposed amendment, Mr. Speaker, is how they propose to accommodate the islands of Lanai, Molokai, and Maui, when a statement is made that we have met island integrity. I think by that, the speaker from Waikiki meant that they were eliminating islands and in this case I think that these questions are not answered in this amendment, and therefore I ask that we not support this amendment."

Representative Hale rose to speak in opposition to the proposed amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to this amendment. I really feel this amendment is out of place as an amendment to HB 32, which does not concern at all the form of the governance of our school or the election. I think it was introduced for the wrong bill, number one.

"Number two, I oppose it because, you know, this is the third proposal I've seen. We had seven from the Senate, we had fifteen from our House, and now we got nine. The Governor is proposing seven. And how in the world are we going to decide, all of a sudden, that we'll take nine in an amendment that has not been heard and we have no public input into this at all.

"This is one of the problems that we face when we have floor amendments here, because we don't have a chance to have public input. I feel that there may be some good things in this amendment, Mr. Speaker. And perhaps it should surface in some other form. But we're replacing a bill that talks about a problem now, not in 2005. So for those reasons, Mr. Speaker, thank you. I oppose the amendment."

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

"Thank you, Mr. Speaker. I am rising in support. To address a previous speaker's concern, I'd like to say that the title of the bill is: A Bill For An Act Relating to Education. So this certainly fits.

"There were other comments made that the we shouldn't do this now, and I just want to point out that it seems that we are very afraid of local control. We have Neighbor Island Reps that should be promoting homerule. This is a form of that. Why do we want Honolulu to make all the decisions for us? We hear it over and over again, that they want to do it at home. This doesn't do it at home. This does it right down the street.

"Last Session we said we needed the underlying details for local school boards before we gave the people a constitutional amendment on which to choose whether or not they want it.

Well, here it is this is some detail for them. I imagine that next Session we'll hear the same argument that we didn't prepare all this details for them before we gave it to them. So I am just bringing you up now that this is your chance.

"And for those who think this should be debated in Committee, you are absolutely right. Why don't we have the chance to do it then? We have proposals. They don't get heard. This is the only chance we have to debate the measures here on the floor of the House. Thank you, Mr. Speaker."

Representative Halford rose to respond, stating:

"Thank you, Mr. Speaker. Just briefly to clarify some misperceptions. Mr. Speaker, the concept of island integrity is really set in context and was used by our Reapportionment Commission in the past. What they made by that is really county integrity. Maui has been resolved by that by keeping Molokai, Lanai, and Maui as thought of in context as the same island. So again, the word 'island integrity' is set in context.

"Then I'd like to address the general apportionment issue, that constitutional one person, one vote. Mr. Speaker, last Session, just a year ago, the House of Representatives passed out a proposal for fifteen school boards. We passed that. The Senate passed one for seven. In any case, what I am trying to point out is that this problem is already been resolved. And the logic that it already exists, and in fact Mr. Speaker, in Conference, the House agreed to the Senate's seven. We were willing to go with that.

"I don't believe that our Executive would be proposing seven without having first thought through the one person, one vote issue. So I just wanted to point out that it is a 'red herring' to bring up the apportionment potential problem."

At this time, the Chair announced:

"Members, we've had 15 minutes of debate on this particular issue. The Chair will just recognize one from the Minority Caucus and one from the Majority Caucus. Representative Fox, will you yield to Representative Ontai? Or would you like to speak for the second time?"

Representative Fox rose to respond, stating:

"Mr. Speaker, I only need a brief second to comment and we can go to Representative Ontai. The most salient criticism was that we left out a page. That is a serious comment. My set is complete. It does appear that other people may have a set that is missing a page. The Clerk reproduced the documents. I think we can just pass over that technicality. Many of us do have a complete set on our desk. Thank you."

Representative Ontai rose to respond, stating:

"Thank you, Mr. Speaker. Just a brief comment. There is some confusion about what the Governor had proposed. Specifically in HB 1082, she had proposed at least seven boards and that is the language that is in the question to be printed. And so I think it is completely proper to debate the number."

Representative Caldwell rose to speak in opposition to the proposed amendment, stating:

"Mr. Speaker, I rise in opposition to the amendment. As the Representative from Waimanalo mentioned, this is putting the proverbial 'cart before the horse'. It sets up a taskforce before the nine member school districts are even established, Mr. Speaker. What is the taskforce going to do without clearly delineated directions regarding nine proposed districts. This

amendment is not well thought out and has all the makings of a last minute rush to me.

"Constitutional questions are a big issue here. One person, one vote is critical and dividing 5 into 800,000 doesn't equal the entire population of Kauai.

"Then you have the issue of a constitutional amendment in 2004, Mr. Speaker. Then you have to have an election in 2006 to form the school boards. This is not a good way to address what the public considers the number one issue facing the State today, Mr. Speaker.

"There has been no public hearing on this proposed legislation. There has been no public input. This is not letting the people decide. This is not open government, Mr. Speaker. This is not the way to formulate legislation. Thank you."

Representative Kahikina rose to speak in opposition to the proposed floor amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to the floor amendment. First Mr. Speaker, I really appreciate this discussion because this is the marketplace of ideas. And as I was listening to all these ideas, I was asking myself, what really is the purpose? And the purpose of this amendment, and I've been hearing the word 'empowerment'. So I've been asking myself, empower who? And I've been hearing, the community. As you and I know, depending on the community, and depending on the issue, we would depend on the participation that you have. What's been really bugging me is that there is no mention of students. There is no mention of the true core issue. And the core issue is we should be deciding what structure will lead to student improvements.

"All studies that I've seen, even going back to the Berman/Weiler report which said grade standards, challenge the kids, free the teachers, get the community involved. We talk about empower, but empower to do what? I've heard, to empower to approve a budget. Empower that entity to hire and fire the CEO, their principal. How do you deal with the collective bargaining issue and then even the issue of the financing? Because you still have the same system intact, where these entities would have to develop their budget, give it to the Governor, and get it approved by this Body.

"If you want to decentralize, then decentralize the funding. Why don't we talk about decentralizing funding mechanism? Dedicate a percentage of the general funds to education. Perhaps even giving these boards of education taxation power. That is the kind of decentralization I think we need, and that would give them control and certainty of funding flow.

"Mr. Speaker, in this amendment, I do not see anything that empowers the community. In fact it changes functions of authority. I am aware on page 32, one of the functions is to give the authority relating to the school health services, including counseling services that is exercised by the Department of Health, to be transferred to the Department of Education. Didn't we address that in the Felix Court Decree? That we wanted to separate and segregate these services? I mean if this was a well thought out instrument, it doesn't take in to account of all those issues. I ask my colleagues to vote it down."

The request for roll call vote was put to vote by the Chair and upon a show of hands, the request was granted.

Roll call having been granted, the motion that Floor Amendment No. 2, amending H.B. No. 32, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," be

adopted was put to vote by the Chair and failed to carry on the following show of Noes and Ayes.

Noes, 36: Representatives Abinsay, Arakaki, Caldwell, Chang, Evans, Hale, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho'ohalahala, Kanoho, Karamatsu, Kawakami, Lee, Luke, Magaoay, Mindo, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tamayo, Wakai and Waters.

Ayes, 15: Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen.

Excused, 0.

MAIN MOTION

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, I rise in opposition of HB 32 that requires the Board of Education to conduct a community meeting at each complex area at least two times a year. As the Board of Education testified, this bill is unnecessary at best. I think it is an egregious legislative micro-managing.

"At present, the Board meets twice a month, every month, except July, and holds meetings in each district at least twice a year. That means a total of six Neighbor Island meetings a year. Since there are six Neighbor Island school complex areas, this means that there will be an annual total of 12 Neighbor Island meetings. But this bill notes that if only one member travels to the Neighbor Island area complex meetings that counts for a meeting. The Board of Education recommended holding this bill.

"I think we should just forget about this measure and look for realistic ways of getting more Neighbor Island input into running of the local schools. I think we need local school boards. Thank you, Mr. Speaker."

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

"Rising in opposition, Mr. Speaker. Thank you. As the previous speaker mentioned, the Board of Education testified this is unnecessary. But also, if you look back at all the testimony, the HGEA and HSTA also said it is not necessary. So why are we passing a bill to micro-manage our BOE, HSTA, and HGEA even more? We are trying to control everything from here again, and it is not the way to do it. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. A potential conflict. My daughter is on the Board of Education," and the Chair ruled, "no conflict."

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

"Mr. Speaker, I have very serious reservations with the bill. I think what it is, is an attempt to say that the Legislature is doing something to address the concerns of the community. But the community very clearly wants the ability to vote on whether or not to have local school boards. This is a sop to the community. It doesn't do anything meaningful. It doesn't really allow for the community to vote, and come in and have

their say on how the Department of Education and the Board should be set up. Some may feel, "Oh wow, we have done something." I think the accomplishment is hollow and empty. Thank you."

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

"Mr. Speaker, I rise in support. Mr. Speaker this bill gives regular people like working families, students, and their community members, the chance to 'talk story' with their local school Board member. BOE meetings are strictly business. What we need are town hall meetings. That is proposed in this bill. These would be informal, non-administrative meetings with the public. BOE members can bring the community up to date on their efforts. The community members can raise their concerns about education.

"I know that we need these meetings because I hold town meetings along with the Representative from Nanakuli and our Senator. And inevitably a lot of concerns about education come up. It is policy concerns, and other concerns that should be handled by the BOE. So HB 32 is the step right direction because it let's the public 'plug in' to decisions made by the Board. Thank you."

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

"Mr. Speaker, I rise in support but with some very strong reservations. While I do believe that we all benefit from community input and that town meetings are very beneficial to that, I think that there are some concerns of whether or not the BOE is being micro-managed some of the concerns from the Representatives from Kailua and Kailua are good points, and with those in mind, I have strong reservations."

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

Representative Stonebraker continued, stating:

"The speaker from West Oahu, out in Waianae side, referred to community meetings where they can meet with their local school board member. I am not sure if she misspoke, but that's what we would all love to see happen. Communities meeting with their local school board members. I think that it was perhaps in reference to a local member who was on the statewide school board, because right now that is not possible for everybody in the State to do. Some people are represented by people that live many, many miles from them, and they have nothing remotely to do with their community. So perhaps she misspoke, but the real issue is the micro-management aspect.

"The Board of Education is really tapped. They have to make a lot of decisions. They have to research a lot of things. They have to sit in and hear a lot of testimony, and it are not a paid position. They of course, are reimbursed for their travel time and so forth. This measure would actually incur greater costs having the Board of Education run around to try to be the extension, to meet the cry of the public.

"According to polls, 60% to 75% of the people of Hawaii have requested either decentralization in general, or specifically local school boards. So I understand that this is an attempt to go in that direction, and yet I believe it is really missing the mark and it is going to be kind of a bureaucratic mess. We are going to tap the Board of Education members that we have now. We are going to drive them to the edge. Many of them have jobs. They have livings. To shove them out to all these

different districts, and at what kind of expense, we are not completely sure. In spite of the fact that the testimony from HGEA, the Board of Education, and HSTA said that this isn't necessary. We don't know why you are doing it. So for those reasons, I vote no. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of this measure. First of all I would like to correct the record. I believe that both the Board of Education and the HGEA supported the intent of the measure. So I wanted to make that very clear.

"I think this measure addresses some of the discussion that we had previously. Lack of communication and connection with the Board. This is what we propose to do to provide that contact and communication with people throughout the State. We are not talking about the seven districts. As a matter of fact, right now, the Board of Education goes out to each of the seven districts.

"What this measure proposes to do is, it proposes to have at least two community meetings in each of the school complex areas. There is 15 of them. So in our smaller school areas, for example, Pearl City, Waipahu and Nanakuli are in a complex cluster. With this bill, the Board of Education will be required to have a meeting for our complex areas. I don't see anything wrong with that. As a matter of fact, like I said before, I support a statewide school board. In order for us to make a statewide school board work, we have to do these types of things.

"I want to caution my colleagues, before moving on to anything else, that we be sure that this statewide school board does not work. I am not convinced because we haven't given this proposal an opportunity for the board. And as a matter of fact, our Superintendent, who just started a little over a year ago, to move forward on her initiatives as well. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. I rise in support of this measure. You know, I find it rather ironic that on one hand this measure is subject to the accusation that it micro-manages the Board of Education, and yet over the years that I have been in office, I have seen many bills from both sides of the aisle frankly, that micro-manages both the Board of Education and the Department of Education. Some of the rationale I hear, in just this Session alone is that, the Board is not doing this, and we have to force them to do it. Or the DOE is not doing it, so we ought we to make them do it.

"Yet on this measure, which the Board of Education supports the intent, frankly, they are moving to doing something like this and the reason why, in the bill it says at least one board member. We took into account the fact that you are not going to have 14 board members showing up at every single complex, twice a year. That is not the intent. We want the representative on the board, the board member from Kauai for example, to have two meetings on Kauai. He can have one on the West Side, and one on the other side. This will allow people in the community to go and actually touch, and feel, and talk, and ask questions, and just exchange some points of view, so that board member can come to the statewide board feeling that he, in this case, has a better sense of where that community is coming from.

"I know there are a few board members currently who have said, 'Well I go to the high school graduations.' And to them I

say if you are going to the high school graduation and when you get introduced, you stand up, and you wave your hand, and you sit back down for a couple of hours. In my opinion, you could best use that time if you went to the school cafeteria in your complex and spent that two hours sharing some ideas and concerns that people in your complex have. That is the intent of this measure, Mr. Speaker. Thank you."

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

"Thank you, Mr. Speaker. I rise with grave concerns. I support this because I support anytime we have members of any decision making body meeting with people who are impacted by those decisions, and so to the extent that this allows members of our statewide Board of Education to spend more time in a local community, I support that. However I think it is unnecessary and that is one of my reservations.

"Right now there is no statutory impediment to them doing this. If you read the Standing Committee Report, it is clear from the testimony that they support the intent of this because they already, to a certain extent, do this. When my wife was on the State Board of Education they regularly circulated through the community. They hit all the Neighbor Islands every single year, hit all the complexes on Oahu every single year, even though she is from Kailua. So they already do this to a certain extent. This perhaps has them doing a little bit more. Right now when they circulate through. They go as a body because it is very important for there being more than one member there. You can't have a conversation among members of a board when there is only one person there. So I think in one respect, this is unnecessary because they already do this.

"On the other hand Mr. Speaker, it is interesting that this doesn't go far enough. The very reasons that the proponents have made for supporting this, also support total decentralization. They said it allows them to do more than just wave their hand at the local high school graduation. It allows them to meet and 'talk story' and be connected to the community. Well, that is certainly what a local school board would do. It would allow people to be right in that community representing that community and do more than 'talk story' and listen, but actually be empowered to make decisions. Not necessarily bring an idea back from Kauai to Oahu and try to persuade the rest of the members who weren't even at your Kauai town meeting, but to actually, all of the members, be from Kauai. Make decisions on Kauai, pertaining to people from Kauai, and that would be true for all the rest of the islands. So Mr. Speaker in many ways this is unnecessary, and yet it doesn't go far enough.

"It is actually a disappointing hybrid. So I am going to support it. They already do this anyway. This is not really earth shattering. It is certainly not going to answer the questions that the Representative from Nanakuli brought up talking about funding, and how do you create a mechanism to make sure that they have decisions. This doesn't do that. Anyway I don't see that here. And yet, I don't see that gentleman standing up to oppose this. We never suggested that the other measure would solve all the problems. They are not making that suggestion of this either. But I am not going to critique them in that unfair manner. I am just going to say that it doesn't go far enough and it is also unnecessary. But given those reasons, I'll support it half-heartedly."

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

"Thank you, Mr. Speaker. In opposition. Briefly the HGEA did, as the Representative from Pearl City said, they support the intent of the bill. But in the context of the Representative from

Maunawili, the HGEA said it was unnecessary. The operative word is unnecessary.

"The Representative from Pearl City, the Chair of the Higher Education Committee, as opposed to the Representative from Pearl City, the Chair of the Education Committee said, that we ought to give the Board a chance to work. This is the way to push the Board in the direction of working better.

"Mr. Speaker, we've twice sent to the voters constitutional amendments to dismantle the Board of Education the way it currently is. There is an awful lot of feeling in this Body already that the Board of Education doesn't work. The voters didn't happen to agree with the Legislature, but twice the Legislature said let's do away with elected boards. Let's go back to appointed boards. The people said, "No, we want to have elected boards." Our solution is elected boards at the local level. I am sure that is the right way to go. Let me just briefly say why we know that this system is not working.

"There is a test given called the SAT, the Scholastic Assessment Test, the test that you take when you go off to college, you are a senior in high school.

"I am replying to the point that the current system has to be given a chance to work and that is why we are supporting Bill 32. I am responding to that point and that point alone.

"Scholastic Assessment Test, SAT given as you go off to college. Verbal, math, you add the two scores together and it gives a total score for the SAT. Hawaii's public school students have the lowest SAT score in the country. I offer that as evidence that we have a broken school system. Why should our students in Hawaii have the worst scores in the country? Thank you."

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

"Mr. Speaker, I rise to support the bill and I just hope that when they come to my community, somebody on the Board from Maui or Kauai will come so we'll know who our Board member is that we have to vote for. Thank you."

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

"Given the words from the Representative from Kailua, I stand in half-hearted support of this measure. The one that he referred to Standing Committee Report 824."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 32, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 39 ayes to 11 noes, with Representatives Blundell, Bukoski, Finnegan, Fox, Halford, Jernigan, Leong, Meyer, Moses, Ontai and Stonebraker voting no, and Representative Chang being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 825) recommending that H.B. No. 281, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 281, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I stand in strong support of SCR 825, HB 281. It is about time that DAGS relinquish their control to the DOE, as far as R&M. In their testimony, DAGS supports this bill and the transfer to control their management in funding for school repair. The reason why I say it is a very bold step for everybody is that the conflict we have, when we go out there as legislators to see the problem they have, we are confronted between DAGS and DOE.

"We have two agencies controlling and also letting the school what it needs to be repaired or not. There is a long, arduous process that they have to go through because these two people want to take control.

"With this bill, it transfers the control to DOE. It makes it efficient, and DAGS has accepted because they are the expending agency. Also Mr. Speaker, I've sat down with the Comptroller, Mr. Saito, and we kind of reviewed his flow chart, as far as how this is going to be worked out. I ask my colleagues to vote on this bill. I am standing in strong support. Thank you."

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

Representative Stonebraker continued, stating:

"I would like to say that this is a good idea. This is something that I think everybody has heard some frustrations with DAGS, most everybody in their district has heard some horror story or another about a project that was started that wasn't finished. Or was done and was broken again. I've got a couple in a school just up the street from mine. The parking lot was fixed but then broken. Or a project started and not finished. It really hurts the teachers because a lot of the construction, and the repair and maintenance cannot get done because it goes through the DAGS system. So, good idea."

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

"Thank you, Mr. Speaker. I rise in support of HB 281, HD 1, and would just like to remind the Members here that this provision was in our amendment to HB 32. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of the measure. Mr. Speaker, I would like to respond to some comments made however. There is a horror story involving the Department of Education that has been tasked with the responsibility of putting playground equipment in our elementary schools. Mr. Speaker, as you know, this Legislature has appropriated probably two and a half million dollars to help the Department of Education, to put the playground equipment in the schools. It will take six years according to the Department of Education, before the job is done. That means some elementary school children have really had their whole period of time in the elementary school without any meaningful play equipment.

"And you may go to schools in your district, Mr. Speaker. I am sure this happens to many of us. And you will see them with hula-hoops, and maybe a kick ball, or some of those things. It is an extremely, extremely sad and unacceptable situation. That's been appropriated to the Department of Education. So while some of my colleagues are saying, "Hurray, take it away from DAGS. The Department of Education will be able to do a better job," I stand here and say

show me, and you haven't done it yet. Show me. I want that playground equipment in our schools."

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

"Thank you, Mr. Speaker. I stand in strong support. Currently DAGS serves as the expending agency and overall project manager for the school repair and maintenance. Final decision-making in prioritizing and funding R&M projects lies with DAGS, not the DOE. Our Department of Education is in constant communication with our schools and the administrators at the schools, and they should be held responsible for the repair and maintenance in our schools. So by centralizing responsibility for R&M activities with the Department of Education, it will clarify who is accountable for this program. There can no longer be finger pointing between two agencies for any mix-ups or delays.

"Past reports have attributed much of the increasing backlog and overall inefficiencies in school R&M to the Department of Education's lack of control of the program. So by making the DOE solely responsible for R&M, it will encourage it to be innovative and provide better service to our schools. However by allowing DAGS to continue to serve as the expending agency will maximize the roles of both departments. The DOE can concentrate on its area of specialty and primary mission of education, and optimize its control and will project priorities in time frames. And DAGS can concentrate on its area of specialty in the technical and the operational aspects of project implementation. Thank you, Mr. Speaker."

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

"Mr. Speaker, I am sorry to say that I have to vote with some reservations, even though I know the Chairman worked very hard on this. As the previous speaker from Kahuku said, we should be very proud of this legislation. But I do not know if this legislation is going to do that much. I think that as the Representative from Kailua has said, show me that the DOE going to be doing any better than DAGS.

"DAGS doesn't have a good track record, but neither does the DOE. So you're moving all the DAGS people and you put them into the DOE who are already extremely busy and cannot take care of their own functions, and now you are going to tell them to take over the school maintenance. Actually you are putting the same people in there to do the same things that they have been doing for the last 20 years. So I don't see any major improvement. I hope there will be because this is for the good of the State. But as the Representative from Kailua said, show me."

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

Representative Ching, continued, stating:

"I think that this is a step towards cutting out some of the bureaucracy that our schools suffer. And I am in strong support."

Representative Saiki rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Saiki's written remarks are as follows:

"The purpose of this bill is to literally fix our schools now.

"Over the years, the Legislature has provided over \$1.7 billion for repair and maintenance.

"Not all has been spent, and repairs are backlogged.

"This bill will change this by implementing a recommendation of the State Auditor.

"In 1992, the Legislative Auditor studied the R and M system. In 1992, the R and M program operated under a memorandum of agreement between DOE and DAGS. The agreement provided that DAGS control the implementation of R and M.

"The Auditor attributed the arrangement to the increasing backlog and overall inefficiencies in school R and M to the lack of control afforded to the DOE under this agreement.

"Notwithstanding the audit, the DOE and DAGS still operate the R and M system under a memorandum of agreement.

"This bill will change all that.

"It will cancel the MOA.

"It will remove one layer of bureaucracy from the system.

"It will enable the DOE to set priorities and control the funding for school R and M.

"Most significantly, it will improve the learning environment for our students now."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 281, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE EDUCATIONAL FACILITIES REPAIR AND MAINTENANCE," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

The Chair then announced:

"At this time Members, I would like to share with all of you the warning that we have 5 hours and we have 12 pages to go. And we have 5 floor amendments to consider also. If the floor amendments are in jeopardy because of the bills, it will not pass the 48-hours. Okay? So we can't go after 12:00.

"I am allowing you a lot of debate on issues, and at this point, I am concerned about the movement of this Chamber. I just wanted to make you all aware that we've got 12 more pages with a lot of controversial issues, and it is up to you to determine how you would like to submit your written comments or speak on the floor at this time."

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 826) recommending that H.B. No. 289, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 289, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I wanted to speak on 826. Speaking in opposition. Complex areas school councils is an attempt towards decentralization without actually being a substantive move. We know that this is the alternative to local school

boards. The problem that I have with it is that we already have some kinds of structures in place. The SCBM's for example. And this would further create another layer. The problem is, first of all, it is appointed. And secondly, there is no authority.

"In the State of the State address this year, the Governor testified some of her plans for education. One thing she said was, "The people of Hawaii have to decide for themselves the structure they want for the State's education system." These district councils do not allow them to do so, because it wouldn't allow them to choose the people on those councils.

"The second reason why I believe local school boards would be a better idea, and it is not the only reason why I am in opposition, it is because I am in favor of something else. But the reason is because they don't really have any authority. They are simply advisory boards. So they don't really do anything. They give people the feeling that they are involved and that they are being listened to. But the City has a Vision Team program, and a lot of people are upset because they are on the Vision Teams and after the fact, they realized that their vision or their input wasn't really part of the issue after all. Because the decision is made already. The actual power and the authority is not going to really end up in the people's hands.

"So complex areas school councils is really not going far enough and I just think it is a thinly veiled attempt toward an illusion of decentralization without real reform to give real citizens and community members the real power to make real change. Thank you."

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

"Mr. Speaker, I rise in strong support of this legislation. Mr. Speaker, our Majority Leader on Opening Day concluded his remarks by explaining that the people sent a message loud and clear that they want change, and they want it now. Mr. Speaker, the Majority Leader ended by stating, "Mr. Speaker, we get it." A few days later Mr. Speaker, we introduced our Majority Package with the theme: Meaningful Change, Now. A critical part of this package is HB 289, HD 2, which creates 15 school complex councils and brings greater accountability and autonomy to communicate decision-making in our local schools.

"It does in now, Mr. Speaker. One, it does not require a constitutional amendment as does the Executive branch's seven school board recommendation. It would take probably a minimum of four years to implement.

"Two, it can be put in place quickly, thereby meeting the challenge of meaningful change, now.

"Three, it would fit nicely into the ongoing efforts of our Superintendent Pat Hamamoto to place more authority in the school complex level. This bill brings greater decision-making and autonomy on the local level, Mr. Speaker.

"Mr. Speaker, the Executive branch wants seven competing school boards. I ask, what are they going to do? How are they going to function? Will they have taxing power? These are all open to question. What does it mean to have seven local school boards? Resolving government's questions does not guarantee our children will be better educated, Mr. Speaker. Those issues are best resolved by providing our children with, one, a first rate curriculum. Two, a safe learning environment. Three, teachers who are free to teach. Four, students who are sent off to school by their parents ready to learn. The last is something that government can't even cure.

"Mr. Speaker, in conclusion, our Governor, in her much touted New Beginning for Hawaii campaign brochure which I have here, states ... "

Representative Halford rose to a point of order, stating:

"Mr. Speaker, is the Representative addressing the substance of the bill?"

The Chair responded:

"Yes he is."

Representative Caldwell continued, stating:

"Thank you, Mr. Speaker. She states, "We must begin immediately." Pardon me, Mr. Speaker. She is talking about improving public education in this section of her brochure. She states:

We must begin immediately and we must succeed. Too much is at stake to put up with the status quo for even one more year. A common sense, back to basics approach is needed to bring about immediate and steady improvement in our schools.

"Mr. Speaker, HB 289, HD 2 accomplishes this goal. It does it quicker. It does it better. And it does it now. Thank you."

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

"Mr. Speaker, I rise in opposition to this measure. I just wanted to make a correction. The Governor did not say seven local school boards. It is no fewer than seven. So those numbers are not etched in stone.

"And those local school boards will be elected. They would not be appointed by the statewide Board of Education like this bill does. They would be advisory boards. No one would have to truly listen to them. They would have nobody to answer to because they were not elected. They were appointed. They would have more reason to do what the Board of Education, the people that appointed them, asked them to do. So this is cleverly put together to look like we are getting things down to the local level, but it is business as usual.

"This is like an expansion of the SCBM, which turns out to be not the panacea that this Body thought it would be when it was passed. I served on an SCBM and the principal ran the show. It was hard to get local members. And parents simply didn't come. I realize that is just one school, but I wanted to be a part of it to see how it was working, because I was not in office then, and the newspapers touted it and the Majority Party touted it as the 'best thing since sliced bread', but it didn't really pan out.

"That was, I don't know how many years ago, and by now, at least 10 to 12 years. So while this looks like we're getting to the local level, which we do, it has all the problems that I have enumerated here, and for that reason I cannot support it. Thank you."

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

"Mr. Speaker, I rise in support of this measure. As the Representative from Manoa just stated, the public wants our schools fixed and they want them to be fixed now. The public does not want us to engage in partisan politics over this issue.

"There are three guiding principles behind this legislation and I just want to go over them very briefly.

"First, local control over schools must start immediately. It must start now.

"Second, local neighborhoods and communities, parents and teachers and students deserve a bigger say in how their schools are run.

"Third, local control over schools must be mandated by law and not be left to the bureaucracy to implement.

"There was some discussion that this may be a simply an attempt to expand the SCBM system, but it is really not. This bill will create 15 complexes. I think that the complex system is very significant because of my past experience along with several other Members in this Body serving on the Felix Investigative Committee. I have been a big critic of the Felix Consent Decree and how it was implemented, but there is one facet of the Consent Decree that I agreed with totally. And that was the creation of the complexes for purposes of complying with the Consent Decree.

"The Department of Education created a complex for every high school, there are 43 high schools throughout the State. Attached to each of these complexes are the feeder schools, the middle schools and the elementary schools, that fed into each of the high schools. It was the duty of those principals, administrators, and teachers within each of these complexes to band together, to communicate, to trouble shoot, to solve problems, to engage in discussion on how they can improve their programs and services within the complex area. All of the schools, all of the complexes, were deemed to be in compliance with the federal Consent Decree requirements, in part, because their complex systems enabled them to confer and to solve problems, and for that reason the judge held that the State is in compliance with the Consent Decree.

"It is really a system that needs to be expanded through our State. We need to give it a chance. It's already proved to be working and we need to make every effort to make sure that the system works for the benefit of our students. Thank you."

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

"Thank you, Mr. Speaker. I rise in support with reservations and concerns. Mr. Speaker, one of the previous speakers said that we need change immediately. We need to allow families and students and communities to have greater say. That we need to do this and mandate it by law. In a certain sense this bill does none of those things. I'd like to just walk us through the bill. It is nice to talk about generalities.

"Mr. Speaker, if I may. I know the hour is late. But if the Members would turn to page 4, section (e), allows us to see exactly what it is these new organizations do. What do these complex areas school councils do immediately? How do they allow people to have greater say, and what exactly is being mandated by law?

"If you look at line number 9, which is number (1), it says that these complex area school councils shall conduct community meetings. There is no statute on the books that prohibits the current Board of Education or Department of Education from doing that. So they can already do that without this legislation. Again it doesn't say that there are going to be locally elected people that make decisions. Basically it is these people who are appointed can go out and hold a meeting.

"Number (2), which begins on line 12, it says, coordinate with and receive input, and lists a whole slew of people. Of course they coordinate with and receive input. I am not sure whether or not that mandates by law that the input needs to be taken seriously; needs to be acted on. They just coordinate it and gather it and receive it.

"Line 15, number (3). They perform informal assessments. These are not even formal assessments that are binding in nature. They are just informal assessments. So they go, they 'talk story', they bring it back, they're coordinated and they receive input, and then they perform an informal assessment. The law doesn't say that the Board of Education or the Department of Education or the Superintendent has to do anything with that. This statute allows the Board of Education, the Superintendent, to disregard that if necessary.

"Line 18, number (4), maybe this is something really important. It says, determine a priority list of capital improvements projects within each complex area to be forwarded to the Board of Education for evaluation and inclusion in the Department's budget request. Is it binding? No. Are they mandated by law? No. So they get this stuff, they determine a priority list. They give it to the Board of Education and they hope the Board of Education takes it into consideration. They can disregard it under the terms of this statute.

"Number (5), line number 1, page 5. It says, prioritize repair and maintenance projects. Well, we already know that there is a matrix. We already know that when we do our CIP bills, we already ask the principals to do that and the complexes to do that. So that sort of thing is already being done.

"What this statute does is it says that this new group, these complex area school councils comprised of appointed members who aren't accountable to the voters or electorate, can now prioritize this. And then it says, can expend aggregated discretionary funds. It doesn't mandate that the Board of Education or the Department of Education has to give them aggregate discretionary funds. It doesn't say how much or when or what fashion that should be. It just says that if there are aggregate discretionary funds decided by the upper decision makers, then they can expend them.

"Number (6) on line 5, again on page 5. Manage block grants or other funding provided for schools within each complex area. Now I don't know if the proponents of this believe that this is the 'silver bullet'. But right now I don't see how that is going to solve the whole host of problems that were articulated in opposition to the floor amendment. All kinds of problems about funding and whether or not the Department of Education should add taxing authority, should have a guaranteed funding stream. None of that is addressed by this. If there are block grants, then they can manage them. Great.

"Item number (7), line 7. Gather and coordinate input from professionals. There is no statute that prohibits the DOE or the BOE doing that at the present. So now we are going to have these appointed folk go and gather and coordinate input. It doesn't say that any of this stuff is binding. That the Superintendent has to follow through. There is no accountability. It says that they can gather. I am sure that they are thankful that now they can gather it.

"Line number 12, number (8). Select a common yearly, weekly, and daily schedule as practicable for schools within each school complex. Well, maybe this is a step in the right direction, because I know SCBMs, when they wanted to change a particular date, I believe it was a Maui public school that had an SCBM that said that they need some flexibility in terms of choosing their graduation date. They were not permitted to do

that under SCBM. Maybe now they can do that. The only thing is this section is stating to say that they need to coordinate.

Representative Bukoski rose to yield his time, and the Chair "so ordered."

Representative Pendleton continued, stating:

"Thank you. I am wrapping it up. There is two more items here in this bill which will immediately effectuate change, which will allow greater say and mandated by law.

"Line number 14 is item number (9). Purchase bulk supplies and equipment for schools within each complex area. Again, I am not sure that this was a major factor in the poor performance of our schools. We've had some problems. We had a storage facility, centralized, had supplies that were holding out-of-date equipment, and all of that, but no one ever suggested that our poor performance on the SAT, or our poor performance on the NAEP was due to this. I am not sure if this is what is referred to as immediate change allowing for a greater say.

"Tenth and final item begins on line 16. Perform any other duties as determined by the BOE. So again, you have this appointed group of people with essentially no powers. What they do, what they gather, what they disseminate, and digest and forward to the Board of Education can be followed or disregarded at whim. So this statute really doesn't do anything. That is the real concern; that it is all 'window dressing', but it is harmless, and I don't think it will do any harm to have some other appointed people out there doing this kind of gathering and coordinating, I will support it with reservations."

The Chair then announced:

"Okay Members. It has been 20 minutes on this one measure and the Chair will allow one member from the Minority, and one from the Majority, to give its final summation of this particular measure. And the rest of you will be allowed to submit your written comments, for or against, in the Journal."

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

"Thank you very much, Mr. Speaker. I rise in support of this measure. I support any issue like this, or other issues that we've heard tonight. There will always be a certain amount of rhetoric and hyperbole. While I've heard a flood of words, let me try if I can add a few drops of reason to the debate.

"You know Mr. Speaker there are those naysayers who protest that these councils are much to do about nothing, and since they are appointed they will have little authority if at all. Let me address these two points.

"First, the appointed versus elected dichotomy. Simplistically saying that an elected board is better and why not let the people decide is a reductionist approach. That is a political equivalent of 'tastes great versus less filling'. It is a slogan bereft of substance. Indeed, less filling.

"There is no research, Mr. Speaker, no research, empirical or otherwise, that clearly shows that having an elected governance structure leads to better student performance. Of the 48 states with the statewide school board system, 37 are appointed. Of the 30 states with a regional school board structure such as we are proposing here, 16 appoint their members. Even in Hawaii there has been no evidence that by going to an elected statewide board in 1964 led to a better student performance

than what existed previously with the appointed board structure.

"I think it is also important Mr. Speaker, to keep in mind that the school board is one of a small handful of elected boards or commissions, that have policy making or oversight authority. Of the dozens and dozens of boards in our State, Mr. Speaker, we have many that oversee the public university system, utilities, land and water use, various regulated industries, public employees, civil rights, ethics, campaign spending, judicial selection, and so on, and all of them, Mr. Speaker, are appointed. As a result, the people, if you will, have no say on these appointees.

Here, the concern raised is that these councils will have little authority. My good friend from the other side, on the Windward side went over line by line. I respectfully disagree. I believe that these councils will have both statutory and political authority. Statutorily, we heard the bill will be able to do. Politically, they will be as influential as the Neighborhood Boards on matters before the Honolulu City Council. My experience Mr. Speaker, very few council members ignore decisions made by their Neighborhood Boards. However if the concerns that these councils will not have absolute authority and autonomy, then I do believe it is a valid concern. After all, just because the council proposes a capital improvement project, it doesn't mean that they will get it.

"But Mr. Speaker, that is the current situation today. The Board of Education or the DOE or the Administration for that matter, can propose capital improvement projects for the schools. We are not obliged to 'rubber stamp' that request. In my opinion, the only way you can do this, to address the concern about autonomy, is to give councils the power to levy taxes. And no one is suggesting that we do this, after all Hawaii's equitable school financing is the envy of the nation.

"I mentioned previously that in 2002 *Education Week* publication, Hawaii ranked first of all the states in resource equity. The only state with an A and the 100% rating. And the reason for this Mr. Speaker, is that we, the Legislature, all of us here, appropriate the funds for our school system because we know that by allowing each local area to tax its residents, you will inevitably, inevitably, erode this funding equity. We will end up like Texas where if you live in Kenedy County where the spending per pupil is \$20,859, it is a blessing. But if you live in Randall County where \$3,643 is spent per pupil, it is a curse.

"Lastly, this whole issue of governance evades the real issue of how to improve our schools. The Representative from Manoa gave some background on that. Let me elaborate.

"Schools or school systems that perform well have most, if not all of the following five factors. Strong leadership from the Superintendent to the principal level. Partnerships that involve parents and the community. A safe and healthy school environment. Staff development and collaboration. And curricula that is consistent, sequential and proven. The critical point to remember is that it is not the overall governance structure that plays a significant role in student performance."

Representative Luke rose to yield her time, and the Chair "so ordered."

Representative Takumi continued, stating:

"Thank you very much. The whole debate on school boards is far more driven by politics than it is by well-grounded policy. You know Mr. Speaker, it reminds me of the observation that you can campaign in poetry, but you must govern in prose. After all, while poetry or other flights of fancy, may lift our

spirit, it is the prose of deliberate, systematic policies that will lift our schools. Thank you."

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

"Thank you, Mr. Speaker. In opposition. We've heard much criticism and talk about the amendment which was supposedly defective and which won't go into effect until 2006. Yet we're debating at length a serious proposal offer that won't go into effect until July 1, 2050. That is what we are debating today.

"The statewide school boards that the Chair of the Education Committee refers to don't have anything to do with running school districts. There is only one statewide school district in the country and that is ours. Everybody else has local school districts and those local school districts are elected, and that is what we are talking about. The speaker, the Chair of the Education Committee, referred to Neighborhood Boards and how they have advisory power. They don't have elective power, and City Council members pay attention to the Neighborhood Boards. Why do they pay attention to the Neighborhood Boards? They pay attention to the Neighborhood Boards because they come from the community, because the boards are elected. They are elected. They come from the bottom up. That is why they pay attention to Neighborhood Boards.

"We have continuing talk about the school equity, the equity of payment that we have in Hawaii. Why that is the number one feature that we should emulate. Our amendment called for retention of that system of collecting taxes statewide, and dispersing them on a per capita basis. That is exactly the element we want to preserve. That same survey that graded Hawaii, number A in equity gave us low grades in almost every other category, including student performance. Mr. Speaker, no more top down. It is time for bottom up. Power to the people. Thank you, Mr. Speaker."

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise in support of H.B. No. 289, HD 2. Mr. Speaker, as we all well know, the public education system in Hawaii is controlled at the State level by both the Department of Education and the Board of Education. Although centralizing services has provided certain advantages to the public school system, it has also been a hindrance, in some ways to building high-quality educational system in Hawaii.

"Many of the Neighbor Island schools have complained about 'not having a voice in running their schools', and that 'schools being run by bureaucrats on Oahu have no idea about the needs of the Neighbor Island schools.' These concerns do have a basis in the fact that before services or programs are begun at a school, approval must be obtained from the State administration, which is based on Oahu.

"Mr. Speaker, I, for one, have felt that the management of our schools must be returned to local areas. In fact, I was one of the introducers of a bill last Session that called for local school boards. Unfortunately, that measure did not pass.

"Mr. Speaker, I still believe the idea of decentralization is a sound one. The decentralization of certain aspects of educational governance through a regional administration system does have its advantages. Schools could efficiently administer to the needs unique to their area. Schools and complexes could receive needed services in a more timely

manner. Better planning, policy making, and program implementation could be achieved both at the State level and school complex level. It would be a win-win situation for our children.

"Mr. Speaker, I continue to support local school governance, and I believe that this bill provides a step in the right direction. Although our educational system is making progress toward improving its performance, much more needs to be done. This bill allows for immediate action to be taken since it does not require a constitutional amendment, which could only occur in the next election cycle, two years from now. This bill will allow us to see, first-hand, if the idea of local school governance will work for our unique educational system.

"Mr. Speaker, we have all heard the rhetoric about improving our educational system. The time has come for us to put our words into action. The creation of complex areas, and the structural change it will provide, will play a significant role in improving our public schools. Let's all work together towards making our educational system second to none. Thank you, Mr. Speaker."

Representative Ontai rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ontai's written remarks are as follows:

"In opposition. This bill proposes an insignificant step, albeit in the right direction--toward decentralizing our over-centralized decision-making system in the Department of Education.

"HB 289 will create appointed advisory boards in each of the complexes, or high school areas. Two problems are immediately apparent. First: "appointed" means that the community will not truly be involved. Perhaps only "insiders" will be appointed. The real danger is the perpetuation of the status quo, by appointing individuals who may not be inclined to remove an inadequate superintendent or principal or recommend bold policy initiatives that could cause remarkable improvements in our schools. Second: "advisory" means that the Department of Education need not heed any advice. Only a small minority of people are willing to take time out of their schedules to meet, consider, decide and then recommend actions that may or may not be implemented. The default obviously will be for the DOE to continue what it's doing, without being hampered by the opinions of advisory boards.

"Taxpayers ought to have the right to elect their school boards meaningfully. Our current system that elects a statewide board does not allow for meaningful interaction between the statewide board and each of the diverse communities that the board is supposed to serve. Principals can serve without regard to the desires of the taxpaying community. It is unclear for whom a principal or superintendent serves. This uncertainty naturally leads to the current system that lacks clear programs and clear costs for such programs.

"Our vision, should be to create a system whereby the taxpayers are fully engaged and welcome. I don't see parents writing school policies, but certainly taxpaying parents should be allowed to choose their leaders, superintendents and principals, and approve their budgets through an elected, local school board. Mahalo."

Representative Stonebraker rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Stonebraker's written remarks are as follows:

"Mr. Speaker, I rise to speak in opposition to HB 289 that establishes advisory boards to be appointed by the Board of Education. This is a thinly veiled attempt to create the illusion of decentralization without actually giving up any power by the State. Governor Lingle stated in her State of the State address that, "The time has come to move resources and decision-making away from the DOE's central office in Honolulu and to empower local communities to think and act in their own best interest." She added, "I believe this can best be done by replacing our current statewide system with seven, locally elected school boards."

"One of the Governor's first official acts in office was to submit a bill, HB 1082, to the legislature to do just that by amending the Constitution of the State of Hawaii. When the bill came before the House Education Committee, she personally testified before the members and told them that the purpose of the proposed constitutional amendment was, since we don't have a referendum mechanism in our existing constitution, to allow "the people of Hawaii to decide for themselves the structure they want for the state's education system."

"The Committee Chair thanked the Governor for her testimony and then recommended that the proposal be "deferred" to an unspecified date in the future commenting that there is no rush since it wouldn't be on the ballot until next year anyway.

"Meanwhile, the Majority Caucus submitted its own version of decentralization. It was this bill, HB 289, and it authorizes the Superintendent of Education to create complex areas and School Councils for each complex area. A school complex is based around a high school and includes all the intermediate/middle schools and elementary schools that feed into that high school. There are 42 school complexes in Hawaii. The Superintendent could combine school complexes into area complexes. At present there are nine complex areas on Oahu, three on the Big Island, two on Maui, and one on Kauai. That would call for the appointment of 15 School Councils with seven members each -- and all 105 members would be nominated by the State Board of Education.

"Then the opponents of the Governor's proposal began decrying the establishment of local boards as too expensive. "Suppose the Neighbor Island members needed to testify before the Legislature," one told the Committee. "This would be very expensive." This is the twenty-first century. A number of other state legislatures provide for video-conferencing testimony, and in places not half as difficult to travel to the State Capitol as it is in Hawaii. And what about the travel costs for Neighbor Island Area Complex School Council members if they have to come to Honolulu?

"This issue has little to do with costs and everything to do with the education of our children. Is the system "broke" as Governor Lingle calls it? Recent test results indicate our system needs some fixing. More local control of the schools is an absolute necessity. This isn't the total solution for our schools but is something we can do. It was recommended before.

"Old timers might remember that there was task force established in 1991 chaired by then Lt. Governor Ben Cayetano. It was called the Task Force on Educational Governance. When their final report was published before the 1992 session, the task force members had voted 11-2 to recommend eliminating the existing statewide Board of Education in favor of elected county boards. That recommendation went the way of Governor Lingle's proposal.

It disappeared in the legislative quagmire and never was acted upon.

"Who were the members of that Task Force? It had fifteen members: five appointed jointly by the Speaker of the House and the Senate President; five appointed by the Governor; and five appointed by the BOE. The law, Act 332, 1991, also specified that three appointees come from the ranks of professional educators; three be parents with children in the public school system; three be representatives of the business or general community; one be a member of the BOE; one be a public school student and another be a member of a School Advisory Council. The three remaining members were to be the Speaker of the House, the Senate President and the Governor, or their respective designees. It was further stipulated the at least one member of the Task Force come from each of the counties. A pretty fair representation of the community at large we can agree. They held scores of community meetings and undertook a statewide survey. But all that didn't mean much to the Legislature.

"Recent national studies have shown that there is a direct correlation between large school districts and low test scores. Hawaii has the 10th largest school district in the nation based on the number of students divided by the number of boards. A 2000 study sponsored by the U.S. Department of Education, "School District Size and School Performance," concluded that "Smaller district size does not guarantee improved test scores, but ample evidence suggests it will increase the odds for improvement in school performance."

"A 2002 study by the Education Intelligence Agency studied the 33 states that participated in the 1996 and 1998 4th and 8th grade reading and math NAEP assessments. EIA combined those four scores for all 33 states in order to compare them in various categories. Ten of those 33 states had average district sizes smaller than the national average. Of those 10, nine scored above the national average of the NAEP tests, including the top 6 places in the rankings and 9 of the top 13 places. Of the 23 states with an average district size larger than the national average, only 7 scored above the national average. In fact, large-district states held the bottom 8 scores (including Hawaii) and 15 of the bottom 16 scores.

"The Governor wants the people of Hawaii to decide for themselves if they prefer to have local school boards or not. We should be debating the issue of what the people want right now instead of creating legislative ways to get around it. House Bill 289 is just a clever way of not letting the people decide for themselves what kind of educational governance system they want. I will be voting "no" on this measure. Thank you, Mr. Speaker."

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"When it comes to school reform in Hawaii, there are many different ideas on how we can improve our public education system.

"Throughout the country, states and school districts are struggling with how to structure their school systems to provide the best learning experience for their children. Some states and districts have achieved success by centralizing services, while others have achieved success by decentralizing.

"While certain systems have contributed to successful reform efforts, most studies indicate that an extensive overhaul of an educational system is not the most effective way to improve

student achievement. H.B. No. 289, HD 2, offers an intelligent method of effecting positive change in the public schools because it does not propose to reinvent the wheel. Rather, this bill codifies a logical decentralized administrative system and established councils that will have real power, and bring decision-making down to the school level. Under this bill, complex area school councils will be involved in policy-making, fiscal planning, administrative support, and community outreach.

"H.B. No. 289, HD 2, improves certain aspects of the Department of Education while leaving other parts intact. As a result, this plan can be implemented now. In fact, certain provisions in this bill that establish school complex areas are already being implemented by Superintendent Pat Hamamoto under her current statutory authority.

"Some would suggest that student achievement will be improved by implementing an expensive, untested dismantling of the Board of Education and Department of Education, and replacing them with a number of district boards of education. Not only is such a plan impossible to implement immediately, but it would raise the price of education in Hawaii, and disrupt the advantages our system currently enjoys.

"While critics may not want to admit it, Hawaii's educational system does provide many benefits. For example, while other states struggle to achieve compliance with the No Child Left Behind Act of 2001, Hawaii submits one unified application to the federal government, and then proceeds to attend to the needs of its students. On the other hand, Texas has over 1,000 school boards. And in Texas, the 1,000+ school boards have to work together to get one single plan, and they have yet to submit a plan.

"Nobody would suggest that Hawaii's educational system is perfect. We clearly need to take action to ensure that meaningful reform is enacted to help our schools to improve. It sounds good to say that breaking the Department of Education and Board of Education up into independent elected boards is the miracle cure to fix our schools. However, the reality is that this plan would cost taxpayers more, and would do nothing to truly improve education in Hawaii. On the other hand, H.B. No. 289, HD 2, provides real solutions for Hawaii's educational system, and can be implemented right now.

"Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker I just would like to have the Journal reflect my with reservations on this for many of the reasons expressed by my colleague on the Windward side, from Maunawili area."

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

Representative Finnegan rose in opposition to the measure and asked that the remarks of Representatives Pendleton and Fox be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

Representative Morita's written remarks are as follows:

"Mr. Speaker, may I please adopt the comments of the Representative from Manoa, the Education Chair and the Majority Leader as my own.

"First, I just want to make a point about elected versus appointed. Too many times I talked to qualified and dedicated individuals, who will not consider running for public office because they do not want to campaign and put themselves out before the general public. I personally feel that one of the advantages of appointed complex area school councils is the ability to tap into this talent pool, who otherwise will not make themselves available.

"Second, complex councils can be in place by the end of the year. In the case for elected local school board we will be waiting four years from now and only if Hawaii voters approve a constitutional amendment.

"Third, the Education Chair has compiled a list of 5 indicators of a successful school system. They include school leadership, family and community partnership, school culture and environment, staff development and collaboration and the instructional program. Implementation of these indicators do not require special legislation or a constitutional amendment. Everyone's efforts can and should be focused on these five areas, which can be worked on right now, which can produce the results we all want at the school complex level, in the classroom and ultimately benefiting the student.

"Implementation of these indicators is the real acid test of a true commitment to school and student improvement.

"The local school board debate does not delve into these kinds of substantive issues that, as I mentioned before, do not need special legislation or a constitutional amendment. The local school board debate offers only a panacea with no real how to get the results we all want at our schools."

Representative Waters rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Water's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of Standing Committee Report No. 826, H.B. 289 H.D. 1, Relating to Complex Area School Councils.

"The purpose of this bill is to authorize the Superintendent to decentralize administrative authority by organizing the Department of Education (DOE) into administrative units serving complex areas encompassing multiple school complexes.

"Mr. Speaker and colleagues, the public education system has grown and expanded though the decades and now the centralized system that has worked in the past must be examined. With the growth of our State, the needs of our children have grown as well. By decentralizing certain aspects of the DOE, the State will continue to enjoy the benefits of a strong statewide system and yet, improve the DOE's ability to provide timely services to individual schools and complexes. The proposal to do away with the central DOE system through an amendment in the State Constitution would take years to implement, these changes can take place upon adoption of this bill. I am not opposed to decentralizing the DOE, however, it is not timely. The motion to amend this bill was not timely. If such a motion were to pass, the issue would not be able to get on a ballot until 2004. With this bill, the decentralizing of DOE would take effect upon its adoption."

Representative Kawakami rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I'm in full support of HB 289 HD 2, and request to put my comments in the journal.

"1. This bill is a sincere measure to enhance the school's performance and be much more accountable through a concerted cooperative endeavor with 15 complex area school councils throughout the State. It will bring about closer articulation between the schools in the complex with the target of meeting students' performance skills.

"2. Advisory Boards appointed by the BOE will oversee each complex area.

"3. Requires the Superintendent of Education to:

- a) Organize the Department into the complex areas consisting of multiple school complexes; and
- b) Provide administrative support to the schools.

"4. The Advisory Boards will consist of 7 members, with at least one student, one parent and one teacher.

"5. Rules established by the DOE shall address the operation and scope of these councils and selection/nomination of its members.

"6. I believe this bill is a step forward to bring educational decision making to each community. The Advisory Boards can make decisions that affect their children's lives in school.

"7. The plus of this measure is the articulation of curriculum through the grade levels to help meet the 'No Child Left Behind' federal mandate."

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

"Mr. Speaker, I'd like to register strong support for the measure."

Representative Jernigan rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Jernigan's written remarks are as follows:

"This bill does not create local control of schools. The members of the advisory committee are appointed by the Board. For this board to truly be held accountable to the community, the community needs to have the ability to fire them and have the ability to elect replacements."

Representative Kaho`ohalahala rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kaho`ohalahala's written remarks are as follows:

"I support HB 289 because of the ability for community to be involved with implementations to their educational system quickly. This bill opens the door for communities to be proactive, determining what is important to that community. They have a say in paving the way for curriculum, superintendent evaluation, determine priorities in CIP projects

and the maintenance of their schools, and purchasing of school supplies to name a few. Communities will be apart of decisions that were once only made by the BOE. This bill will help to empower communities and schools."

Representative Blundell rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Blundell's written remarks are as follows:

"HB 289, HD 2, would create a series of powerless Advisory Boards. The State had a form of advisory boards, that were known as School Advisory Councils (SACs), up until the Board of Education, and this Legislature both supported eliminating them from statute several years ago. The School Advisory Council was ineffective in most districts because they were largely ignored and devalued by the majority of BOE members. I believe that only two or three BOE members ever attended their monthly SAC meetings on a regular basis. Other BOE members voted to do away with the SACs because it seemed easier to eliminate SAC than to attend these monthly meetings.

"Now that the threat of decentralization is upon them, the BOE is rushing to reinstate the Advisory Council system because they think that it will pacify the public. Additionally, the BOE has proposed a requirement that they hold quarterly public meetings in each district, with at least one Board member present. I ask, does the BOE and the Legislature actually believe that by putting the duties of a State BOE member into statute, will pacify the public into forgetting about the need for District School Boards?

"What we really need in Education is a system of local control and true accountability to our communities. If the public were more informed about education in this State, which would happen if we had a system of local empowerment, people would be as outraged about this bill as I am."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise in favor of the measure.

"This bill creates a statutory foundation for the support of what is already being implemented by the Superintendent of Schools--to decentralize the administration of our public school system.

"It seems logical that a school complex consisting of a high school and its elementary and middle schools is a structure by which to think and plan for the educational needs of our students. The schools in the complex can work together for educational goals relevant to the school community. This appointed advisory board could well morph into an elected structure in the future; however, that would require a vote of the people. That would not be possible until 2004.

"The important part of this effort is that the DOE has already recognized that the seven large administrative school districts, relied upon in the past, need to be replaced by smaller units that would be responsible and have more power. The Mililani Complex has been working with a modified version of this plan that seems successful.

"My feeling is that the schools will improve for reasons other than merely changing governance. Our parents and students need to feel empowered, and have many opportunities to

participate in the life of our public schools—many don't, and that is a challenge.

"It is clear that the socio-economics of the community play a clear role in student achievement. We need to help families who might be constrained by dysfunction early in the child's life, and to continue a system of parental support throughout the child's school years. We need to work to change the attitudes that exist regarding academic achievement to make this the goal of each child.

"Mr. Speaker, I have participated in the PTSA, SCBM and in every way possible in our public schools as my children grew. As a close observer, I know our schools are not "broken." We must work together to achieve their full potential.

"I urge my colleagues to support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 289, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 40 ayes to 10 noes, with Representatives Blundell, Bukoski, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Ontai and Stonebraker voting no, and Representative Chang being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 827) recommending that H.B. No. 292, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 292, HD 2, pass Third Reading, seconded by Representative Lee.

Representative Kawakami rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 292, HD 2, Relating to the School Priority Fund.

"I recall that when I was still in education, a fund called the "school priority fund" was available to the schools. At that time, these discretionary funds were so important to principals as it allowed them to determine their purchasing needs and priorities.

"Times have changed since I left education, and our schools are now more severely taxed with trying to fulfill the mandates of Hawaii's Felix Consent Decree, standards based education and the Federal No Child Left Behind Act (among the many demands of a school).

"The school priority fund would allow schools to have some discretionary funding that allow them to acquire needed supplies, services, or books in a timely manner. I therefore support HB 292, HD 2. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am rising in support with reservations. My reservations are that this, right now, there is no money in here. Just a dollar. But this is plus funds beyond what was budgeted to the DOE, and those were my concerns."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 292, HD 2,

entitled: "A BILL FOR AN ACT RELATING TO THE SCHOOL PRIORITY FUND," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

At 7:29 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:31 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 828) recommending that H.B. No. 714, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 714, HD 1, pass Third Reading, seconded by Representative Lee.

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

"In opposition. Thank you, Mr. Speaker. I spoke on this bill on Second Reading. It still remains, even though it has gone through another Committee, a strangely flawed bill, which refers to the need to shift to a new taxing authority, but then sort of drops the subject without spelling out, in any way, how the new taxing authority is going to be provided, where that money is going to come from. Additionally, the bill basically is a study, and what we don't need really is another study. 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. 714, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Third Reading by a vote of 38 ayes to 12 noes, with Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Jernigan, Leong, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no, and Representative Chang being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 829) recommending that H.B. No. 907, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 907, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I would like to speak in support of HSCR 829 and HB 907. I'd just want to say publicly, though that there were questions about why we didn't remove the sunset rather than extend it. Basically, the Administration hasn't made a commitment in terms of funding the program. They put a cap on admittance to the program. In fact, they've also cut the funding for this program. So until we see a commitment on the part of the Administration, we should hold off on not making a permanent program."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 907, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," passed Third Reading by a vote of 50 ayes, with Representative Chang being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 830) recommending

that H.B. No. 1013, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1013, HD 3, entitled: "A BILL FOR AN ACT RELATING TO EXAMINATIONS FOR THE DETERMINATION OF PERMANENT IMPAIRMENT," passed Third Reading by a vote of 39 ayes to 11 noes, with Representatives Blundell, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Meyer, Moses, Stonebraker and Thielen voting no, and Representative Chang being excused.

The Chair directed the Clerk to note that H.B. Nos.: 32, HD 2; 281, HD 1; 289, HD 2; 292, HD 2; 714, HD 1; 907, HD 2; and 1013, HD 3; passed Third Reading at 7:37 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 832) recommending that H.B. No. 551, HD 1, as amended in HD 2, pass Third Reading.

By unanimous consent, Stand. Com. Rep. No. 832 and H.B. 551, HD 1, was deferred to the end of the calendar.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 833) recommending that H.B. No. 298, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 298, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I do have comments on this bill. I am rising in opposition. But before that I beg the Body's indulgence, and yours, I want to ask for a moment of silence at the appropriate time at the end of calendar today. Officer Glenn Gaspar was killed today in Kapolei trying to apprehend a wanted criminal. This was right there in the Baskin-Robbins. He is a long time veteran of the Honolulu Police Department. So I ask for your indulgence.

"This bill has to do with correctional facilities. Maybe its an appropriate time to talk about such a thing. But Mr. Speaker, the reason I have opposition to this is the bill does at least two things that I think are wrong.

"First, it takes the Governor out of the planning loop. Remember we gave the Governor authority, just recently, to look for ways to build correctional facilities for this State. Now we are taking it away. The existing law had the Governor taking a lead in looking at sites and working with potential developers and contractors.

"Second, this measure has the Legislature deciding exactly where any new facilities should be built and what kind of facility it should be. Mr. Speaker, this bill should be voted down. The Director of Public Safety which would take the lead in this process, testified concerning the many flaws in the bill. But these were not even listed in the Standing Committee Report. The Department has several serious concerns about the bill as it is written. Many of us had similar concerns. I urge my colleagues to vote no."

Representative B. Oshiro rose in support of the measure with reservations, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative B. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise with strong reservations on this measure as the Halawa Correctional Facility is within the 33rd district. While the "not-in-my-backyard" concerns will most always exist for any correctional facility in any community, I do not believe this bill has had sufficient comment and review from the affected community and more public participation is necessary to ensure proper education and ultimate acceptance by the residents.

"Based on previous discussions with the prior Director of Public Safety, I was advised of a previous proposal by a private developer to expand the Halawa Correctional Facility to relocate approximately 1,000 inmates currently housed at the Oahu Community Correctional Center (OCCC). I was further advised that a reason for this relocation is that OCCC has limited ability to properly contain inmates, making escapes more prevalent because it is located in an urban center of Kalihi, inconsistent with the surrounding community. Moreover, to avoid the potential of court action for overcrowding at OCCC, the prior administration supported a proposed expansion at Halawa.

"There are reasons why Halawa may be a good location – there has been a low rate of escapes since Halawa first opened in 1998, as well as the fact that Halawa is one of the more remote areas within reasonable proximity to urban Honolulu, for transportation to the courts. However, I believe that there are many, many alternative locations that are just as viable, and these need to be explored.

"Halawa already has a prison, a quarry, a freeway, a quarantine station and a full military facility. I believe each area must bear its share of burdens in our modern-day society and it is not fair for my district to absorb so much more than others. It is not fair that this issue is not allowed more exploration merely because of the "not-in-my-back-yard" mentality.

"Consequently, I have severe reservations on this measure."

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of this measure.

"The purpose of this bill is to facilitate the development of a new prison on the undeveloped part of the Halawa Correctional Facility to replace the Oahu Community Correctional Center.

"For far too long, we have dealt with prison overcrowding by shipping our inmates off to mainland correctional facilities. This was never intended to be a permanent solution to our State's prison overcrowding problems. The State cannot afford to do this indefinitely.

"Although we have considered prison privatization, if tied to specified projects in past Sessions, no final action was ever taken. However, we did pass laws enabling the Governor to negotiate private in-state correctional facilities or enter into contracts for the development of a privately constructed correctional facility.

"This measure will facilitate the development of a desperately needed prison. It proposes to design and build a new correctional facility on the undeveloped site of the Halawa Correctional Facility to replace OCCC.

"This measure will allow the Executive branch to initiate the process to develop a new correctional facility at this proposed site. It also requires the Executive branch to negotiate the development of a private, in-state correctional facility with any qualified private entity.

"Mr. Speaker, we can no longer postpone building a new correctional facility in this State. And I believe this measure is the first step in making a new prison a reality.

"Thank you, Mr. Speaker."

Representative Takai rose in support of the measure with reservations, and asked that the remarks of Representative B. Oshiro during Second Reading be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Finnegan rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Finnegan's written remarks are as follows:

"Mr. Speaker, I rise in opposition to S.C.R. 833, H.B. 298 H.D. 2. This measure would direct the Executive branch to initiate the process to develop the undeveloped portion of the Halawa correctional facility site for a replacement for Oahu Community Correctional Center.

"Mr. Speaker, the previous Administration spent months attempting to find a developer for a private correctional facility in Halawa and in the end they were unsuccessful. This bill gives the Governor no choice even if a more cost-effective, community accepted option becomes available. That doesn't make sense, Mr. Speaker.

"Furthermore, Mr. Speaker, it is inappropriate for this Body to direct the Executive branch to develop a new prison on a particular site. We all acknowledge the need for a new correctional facility, but we have to leave the Executive branch the discretion necessary to pursue the most cost-effective proposal to reach this end. Tying them down to a particular site could end up costing the taxpayers of this State unnecessary funds, and in these tight fiscal times, that would be an irresponsible action to take. Therefore, I urge all of my colleagues to vote against 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. 298, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Third Reading by a vote of 38 yeas to 13 noes, with Representatives Blundell, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 834) recommending that H.B. No. 857, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 857, pass Third Reading, seconded by Representative Lee.

Representative Ito rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ito's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of H.B. No. 857. Our State can no longer postpone the construction of new correctional facilities. Our prisons are already overcrowded. We have tried to alleviate the problem by sending our inmates to mainland correctional facilities. However, this is just a temporary and costly solution. Out-of-state placement of inmates costs about \$24 million per year.

"Most of us agree that a new prison must be developed or our existing facilities expanded. However, there are usually objections by residents when a new prison is proposed in their community. I believe that potential problems will be alleviated if the public has the opportunity to voice their concerns on important issues such as site selection, the expansion of inmate capacity at correctional facilities, and capital improvement projects at an existing correctional facility.

"This bill will ensure greater public participation in the development or expansion of in-state facilities. Under this bill, the Governor will be required to notify the public of each proposed site and accept public comments for at least 60 days following the notification. In addition, this bill will require that before expanding inmate capacity at any existing correctional facility, or beginning any capital improvement project that will cost over \$500,000, public notice be given by the Governor and public comments accepted.

"Requiring public participation will ensure that all concerns are addressed up-front and provide transparency to the process.

"For these reasons, I ask you to support this bill. Thank you, Mr. Speaker."

Representative B. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative B. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in strong support of this measure as it promotes public awareness and participation with regard to siting, inmate expansion, and capital improvements of correctional facilities. My interest in this measure stem from the concerns of my constituents, as the Halawa Correctional Facility is within the 33rd District. While the "not-in-my-backyard" concerns will most always exist for any correctional facility in any community, the recent news of a proposal to expand the Halawa facility made it more apparent to me, more than ever before, that notification to the affected community is essential to encourage public participation, proper education and ultimate acceptance by the residents.

"Based on previous discussions with the prior Director of Public Safety, I was advised of a proposal by a private developer to expand the Halawa Correctional Facility to relocate approximately 1,000 inmates currently housed at the Oahu Community Correctional Center (OCCC). I was further advised that a reason for this relocation is that OCCC has limited ability to properly contain inmates, making escapes more prevalent because it is located in an urban center of Kalihi, inconsistent with the surrounding community. Moreover, to avoid the potential of court action for overcrowding at OCCC, the prior administration supported this proposed expansion at Halawa.

"I can acknowledge why Halawa is a good location – there has been a low rate of escapes since Halawa first opened in 1998. I can also acknowledge that Halawa is one of the more remote areas within reasonable proximity to urban Honolulu, for transportation to the courts. However, I am concerned

about this project because of any potential surprise to any resident in my district, for anyone in my district who missed an opportunity to voice their concerns, and especially with any potential impact upon the community in general.

"HB 857 addresses these concerns – it requires notification and public comment during the site selection process for any new or expanded correctional facilities within the State. As a growing number of problems arise with regards to prison overcrowding, as well as the difficulties faced by OCCC being in the center of the Kalihi area, new prison sites or expansion of existing sites may be inevitable. HB 857 may be viewed as a positive step to prevent unfair surprise to the community as well as to rectify community concerns. Requiring the governor to provide public notice and to accept public comments with regards to the site selection and expansion processes encourages public participation and provides a workable solution to the growing correctional industry."

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

"On 834, I just have very strong reservations, and I'd like to just give you a couple of brief comments why. Thank you, Mr. Speaker. The problem is that I see that this calls for public notification, of course, which we already with the EIS process.

"This is a separate public notification and it calls for notification of such things as any time you expand the capacity of the prison. Well you may do that with double bunking and not building new prison cells outside the existing structure. Also, if it is \$500,000 or more you have to go to the public.

"Well I am just looking at what if the fire safety sprinkler system breaks down or the sewer backs up in the prison. It could easily cost \$500,000 you'd be sitting there for 60 days before you can fix the sprinklers or fix the sewers. 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. 857, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONAL FACILITIES," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Fox, Leong, Marumoto, Meyer and Ontai voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 835) recommending that H.B. No. 1075, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1075, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I am rising to speak against the measure, the fixed rail transit system. Mr. Speaker, I have a question and possibly the Chair of the Committees that heard this bill could explain. It does not appropriate any money for planning, and yet it asks for substantial work to be done. I thought that if we were requiring the development of a comprehensive plan to be able to put in a fix rail transit, then we would have to appropriate money. And if either Chair would answer ... "

At 7:41 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:43 o'clock p.m.

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

Thank you, Mr. Speaker. I appreciated the comments from a couple of my colleagues from across the aisle. It doesn't really solve the problem because the bill states that the Department of Transportation shall. It is not permissive. "Shall" develop an action plan for the implementation of a fixed rail transit system for Oahu, describing site selection and feasibility, structure of the transit operations and facility development, economic analysis and financing, permits and approvals and designing construction. And then the Department shall submit the plan to the Legislature.

"Mr. Speaker that is not free. There should be a money appropriation with this bill and I would like to add, in addition, I think Life of the Land's comments on this rapid transit bill are very appropriate. Life of the Land states a more holistic solution would be to gather public input from residents on what they want Oahu to look like in 20 years, and then figure out how we should get there. It might involved fixed transit, mobile transit, HOV lanes, dispersion of businesses around the island, staggered work shifts, etc. But it would be decided by the people. They conclude BRT was a top down failure. Let's not duplicate that process. Thank you, Mr. Speaker. I do think the lack of money accompanying this bill makes the bill defective. Thank you."

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

"Mr. Speaker, I am standing in support for the legislation. Mr. Speaker, to address the concerns of the Representative from Kailua. The emphasis is developing an action plan. It doesn't require that you actually go out and hire the consultants, do the studies, and so forth. It is to desire an action plan, sit down and talk. Let the process begin to come up with a proposal. It would probably be in all likelihood that part of the action plan would be soliciting a lot of community input. Thank you very much, Mr. Speaker."

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

"In support. I'll try to make my speech shorter than this blessedly short bill. We have a stack of studies higher than you standing on that raised podium. Let's use them. 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. 1075, HD 1, entitled: "A BILL FOR AN ACT RELATING TO IMPLEMENTATION OF A FIXED RAIL TRANSIT SYSTEM," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Ching, Finnegan, Jernigan, Meyer, Ontai, Stonebraker and Thielen voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 836) recommending that H.B. No. 1579, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1579, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, on 836, in opposition. We've got a lot of serious business to do here in this State. This bill basically is unnecessary. The items discussed in the bill are already handled by DBEDT. If we were to ask people what DBEDT stands for, it is really the Department of Economic

Diversification. It understands that, that is its mission. So we've got a department in place. They can handle it. We don't need this bill. Thank you, Mr. Speaker."

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"Mr. Speaker, I rise in support of Standing Committee Report Number 836.

"Mr. Speaker, many of our State departments and agencies work hard to economically develop their subject matters. However, there needs to be greater coordination between these government entities to ensure economic diversification occurs. House Bill 1579, House Draft 1, addresses this by creating an authority that will coordinate the State's efforts to create a plan, develop policies, strategize in how we market Hawaii, and find ways to eliminate or reduce barriers to diversify our economy. Therefore, to make Hawaii competitive in the global market, we must take action now to diversify our economy.

"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. 1579, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ECONOMIC DIVERSIFICATION AUTHORITY," passed Third Reading by a vote of 46 ayes to 5 noes, with Representatives Fox, Jernigan, Meyer, Ontai and Stonebraker voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 837) recommending that H.B. No. 18, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 18, pass Third Reading, seconded by Representative Lee.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I speak in favor of the measure. Here are the major points:

"Employers are increasingly turning to pharmaceutical benefit management companies to help rein in rising prescription drug costs.

"However, physicians are increasingly raising concerns about the vast amounts of patient-specific information that a company may share with an employer, and the negative effect of any breach of confidentiality on patient care.

"In addition, it appears that certain pharmaceutical benefit management companies may have inherent conflicts of interest.

"Many drug companies are the parent companies of pharmaceutical benefit management companies.

"The General Accounting Office found that the profits of pharmaceutical benefit management companies flow from drug manufacturer rebates and fees.

"These conflicts of interest may shift the decisions of a pharmaceutical benefit management company toward higher-

cost drugs and brand-name products that produce higher profits for the company.

"In addition, pharmaceutical benefit management companies have not been willing to disclose their rebate practices and the amounts drug manufacturers pay them to promote their products.

"This bill provides a way to monitor these questionable practices and to safeguard the interests of the consumers.

"It increases the transparency of a pharmaceutical benefit management company's practices.

"It requires a pharmaceutical benefit management company to administer or manage prescription drug benefit coverage on behalf of covered entities and their clients according to the standards of conduct applicable to a fiduciary under ERISA (the Employee Retirement Income Security Act of 1974).

"This means the company must disclose sufficient information to allow covered entities to examine and evaluate the company's activities on behalf of the covered entity.

"This also means that the company must notify the covered entity of any conflicts of interest.

"I urge the members to support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 18, entitled: "A BILL FOR AN ACT RELATING TO PHARMACEUTICAL BENEFIT MANAGEMENT COMPANIES," passed Third Reading by a vote of 44 ayes to 7 noes, with Representatives Fox, Jernigan, Leong, Marumoto, Meyer, Ontai and Stonebraker voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 838) recommending that H.B. No. 189, HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 189, HD 2, pass Third Reading, seconded by Representative Lee.

Representative Magaoay rose in support of the measure with reservations, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Magaoay's written remarks are as follows:

"Mr. Speaker, on SCR 838, HB 189, HD 2, I rise in support with strong reservation base on the testimony of St. Francis Healthcare System of Hawaii, which does not support HB 189, HD 2 because of its religious tenets. St. Francis Healthcare System does not provide birth control or abortion services. This bill, if passed, would force St. Francis to operate counter to its religious beliefs.

"St. Francis proposes the bill amended to provide for an exemption from the law for religious hospitals, as defined:

Section 321 Definitions. As used in this part, unless the context otherwise requires:

"Religious hospital" means a hospital that meets the following criteria:

- (1) The hospital policies and services are based on religious beliefs and are set down in moral and ethical directives consistent with those beliefs.

- 2) The hospital is exempt from taxation pursuant to Sec. 501(c)(3) of the Internal Revenue Code of 1986, as amended.

"St. Francis believes also that the bill does not adequately address issues of liability, additional costs to participating emergency service centers and adequate reimbursements. Liability issues include the possibility of birth defects in those instances when the "emergency contraception" is administered to a patient with undiagnosed pre-existing pregnancy at the time of sexual assault. Pregnancy testing must precede discussion of emergency contraception.

"And, obviously, there would be additional costs incurred by participating emergency rooms for necessary pregnancy tests and for required professional education for staff. There has been no reference to payment for services rendered.

"Also, in the Finance Committee hearing, when we heard this bill; a question was asked of Plan Parenthood, the proponent of this bill, if they could accept the amendments as indicated by St. Francis Healthcare System. Plan Parenthood's response to the question was, yes, with the amendment as suggested by St. Francis Healthcare System of Hawaii.

"Therefore, Mr. Speaker, I stand in support with strong reservation as stated above. Thank you, Mr. Speaker and colleagues."

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

"Mr. Speaker I rise in opposition to HB 189, HD 2. I support the overall intent of this measure which is to ensure consistent access to emergency contraceptives for sexually assaulted victims. However, I am concerned about the absence of an exemption for religious hospitals.

"Mr. Speaker, some religious hospitals are forbidden from taking part in an abortion and in their view, emergency contraceptives can cause an abortion. This measure would punish their commitment to their beliefs with heavy fines and potential closure of their hospitals. Faced with either violating their religious beliefs or suffering these severe consequences, these religious hospitals would have two options.

"First as written, they could exempt themselves from the law by refusing to care for sexual assaulted victims thus this bill could end up actually reducing the treatment options available to these vulnerable women. A consequence I am sure the proponents of this bill did not intend.

"Secondly, religious hospitals, in this instance at St. Francis, and I am told by the Catholic Dioceses, could challenge the law in court which would involve the State in expensive litigation and potentially cause this otherwise good law to be struck down.

"There is another way, Mr. Speaker. These religious hospitals have said that they would accept the measure if there is an exemption for them. The Senate Committee on Judiciary and Hawaiian Affairs has amended their version of this bill to include such an exemption. Its language is acceptable to the religious hospitals and acceptable to Planned Parenthood. From personal conversations with organizations that support this bill, I know they can also accept the religious hospitals exemption. I know Mr. Speaker, that some proponents of this measure will be concerned that with such an exemption, a sexual assaulted victim, who goes to a religious hospital will not receive any information on, or access to, emergency contraceptives. I have two observations to reassure them.

"First, all sexual assault victims, no matter the hospital they go to, are referred to the Sex Abuse Treatment Center, which provides these victims with information on emergency contraceptives and ensures access to them. Second, if victims refuse referral to the Sexual Assault Treatment Center, the religious hospitals have said that they will accept the requirement to provide unbiased information on emergency contraceptives to sexually assaulted victims and the list of the facilities that provide it. Language requiring this of religious hospitals is in the Senate version of this bill, thus even with the religious hospitals exemptions, sexual assault victims who go to religious hospitals for treatment will receive information about emergency contraceptives and where they can access them.

"This is not a question of pro-life or pro-choice, Mr. Speaker. It is a question of good policy and a respect for beliefs that we might disagree with. This is a bill with good intent, but if it is going to be good policy it needs a religious hospitals exemption. I hope the Conference Committee on this bill will accept the Senate version which includes such an exemption. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support of this measure. Mr. Speaker, the statistics on sexual assault in our country, as we all know, is very staggering. One in four girls is sexually abused before the age of 18. One of every 6 American women has been a victim of an attempted or completed rape in their lifetime. In 2001, the Department of Attorney General reported a 16.8% increase in reported forcible rape in Hawaii from 2000. However research indicates that less than 30% of all sexual assaults are reported. If everything were reported, the statistics would drastically increase.

"Personally, I have friends who have never reported or sought help for their sexual assault. When I was a student leader at the University of Hawaii at Manoa, I served on the Sexual Harassment Policy Committee and was astounded to hear the stories of sexual assault, just at the college level, many of which were not reported beyond the sexual assault counselor at the University. Part of the problem is that our society is very quiet about this crisis. Consequently, survivors feel unsupported or even at fault for their predicament. HB 189, HD 2, takes a positive step in their healing process. This measure will help inform sexual assault survivors of all options available to them, including emergency contraceptives for sexual assault survivors in emergency rooms.

"After the attack, many of these women and girls are traumatized and may not be able to think clearly. Many survivors develop post-traumatic stress disorder, the same disorder suffered by survivors of war. This measure will help our women and girls at the beginning of their lifelong struggle.

"As statistics indicate, many will eventually face drug abuse, eating disorders, sleep disturbances, sexual dysfunction, and even suicide in addition to post traumatic stress disorder. Restricting information and options available at our hospitals does not make the process any easier for them. We must do all we can to support survivors, and not re-victimize them by withholding all options available at their time of need.

"Mr. Speaker, seven years ago when I was in college, I tried to do what I could to help a friend survive the rape she experienced as a teenager that was not reported. My friend implied that there was nothing that I could do. I entered politics determined to make a difference, especially for those who felt abandoned. And so today I stand before the House of Representatives in support of this measure, to send a message

to the women and girls of Hawaii that they are not alone. I want them to know that their leaders will do all they can to assure sexual assault survivors have all information and options before them, because their welfare is the top priority. Thank you, Mr. Speaker."

Representative Tamayo rose in opposition to the measure and asked that the remarks of Representative Finnegan be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Tamayo also asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tamayo's written remarks are as follows:

"While I do wholeheartedly encourage providing support to rape and sex assault survivors, I cannot support this bill in its current form. It crosses the line in forcing private religious hospitals, who fundamentally disagree with the concept of emergency contraceptives, to comply. If they do not, there are very steep fines and penalties that will be rendered to them, which could possibly eventually force them out of business. At that point, the communities which these hospitals service, would have absolutely no options for any nearby medical treatment of any type.

"I will support this bill if it is amended in the Senate and the religious exemption is put back in."

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

Representative Moses continued, stating:

"I'd like to indicate that I am not insensitive to the needs of rape victims. This bill doesn't, if it is given the exemption that we've been talking about, would not impede that. I am a father and a husband. I have a lovely wife and two daughters that would benefit from anything like this, if the need arises. But I have to speak in opposition because it requires all hospitals to provide the information that we've talked about. It doesn't give any exemptions for religious hospitals which just cannot do it. It infringes upon their constitutional rights and I think this Body needs to be very aware of that.

"We just heard about how we can't say the Pledge of Allegiance anymore because it says 'In God we trust'. And here we are trying to infringe upon the rights of people who do believe in God, and they have strict faiths. This emergency contraception can and does cause abortions, despite what the bill may say. Therefore, it harms these people. I'll insert the rest of my comments into the Journal, but Mr. Speaker, I think with a few amendments, this bill could be passable and acceptable to all of us. Thank you."

Representative Moses' written remarks are as follows:

"Mr. Speaker, I rise to speak in opposition to HB 189, HD 2. This measure requires All hospitals to: 1) provide information on emergency contraceptives, and 2) offer and provide such contraceptive services – more commonly referred to as the 'morning after pill' – to sex assault survivors in hospital emergency rooms. The Committee on Health correctly amended this bill in HD 1 be exempting religious hospitals from providing emergency contraception information and services. The Committee on Judiciary, however, in HD 2, deleted the religious hospital exemption. The Committee on Finance then passed HD 2 unamended, despite strong and convincing testimony urging otherwise.

"Mr. Speaker, I must make it clear that I am not not insensitive to the needs of sex assault survivors. What truly needs to be considered here is the fact that the passage of this bill may unnecessarily expose both the State and hospitals to increased liability. First, requiring hospitals to dispense the 'morning after pill' may interfere with the constitutional rights of religious hospitals, who may be morally opposed to providing emergency contraception and who are opposed to providing information about emergency contraception. Second the bill expressly states, "[e]mergency contraception cannot and does not cause abortion" (page 1, lines 16-17, emphasis added). This is misleading: it was revealed in Committee, as one might easily conclude on their own, that it can and does. There is also evidence that suggests emergency contraception may cause severe side-effects. This may result in the State being liable for 'misrepresentation,' due to the bill's deceptive wording and lack of acknowledgment, or a requirement to warn, of known, possible side-effects. Finally, this bill does not adequately address the issue of hospital liability (due to health risks and side-effects), and the additional costs incurred by emergency rooms (for services rendered).

"Mr. Speaker, we cannot afford to expose either the State or hospitals to additional liability. As it stands, under HB 189, HD 2, the penalties for religious hospitals are too great, and their constitutionally guaranteed rights are likely being infringed upon. Furthermore, the potential closure of one of these hospitals, due to this measure, is simply not an option for our state. For these reasons, I vote 'no' on this bill."

Representative Leong rose in opposition to the measure and asked that the remarks of Representative Finnegan be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"Mr. Speaker, I'd like to speak in favor of the measure. Mr. Speaker, I rise to speak in support of the measure because women who have been sexually assaulted have a particularly compelling need for quick and easy access to emergency contraception. Widespread access and availability of EC for all women as a means of reducing unintended pregnancy is endorsed by many groups, including the American Medical Association, and the American College of Obstetricians and Gynecologist. The price of EC varies but generally in the range of \$20-25.

"According to universally accepted medical definitions that have been endorsed by the American College of Obstetricians and Gynecologist and the United States Department of Health and Human Services, pregnancy begins when a pre-embryo completes implantation into the lining of the uterus. Other definitions are theological. EC will not induce an abortion in a woman who is already pregnant, nor would it affect the developing pre-embryo or embryo. Documentation can be provided for anyone who doubts these claims.

"The purpose of HB 189 is to authorize hospitals to provide emergency contraception to sexual assault survivors. No one hospital is singled out in this bill. No emergency room, regardless of its religious affiliation should be allowed to place rape survivors at risk of pregnancy because of its adherence to religious tenants that its patients, staff, and its community do not share.

"Emergency contraception works with declining effectiveness for approximately 72 hours after unprotected sex. Therefore a refusal to offer the drug on-site to a rape survivor risks harmful delay and will prevent some women from getting

the drug on time. Women who have survived a sex assault should not be expected to find another doctor, obtain a prescription, find a pharmacy to fill it, all within 72 hours of the rape. This is a context in which no refusal is acceptable and even mandatory referral to another provider is not enough.

"Mr. Speaker, it is unconscionable that healthcare systems and practitioners would unnecessarily place women who have been sexually abused at risk of the additional trauma of an unwanted pregnancy. EC has been shown to be safe and effective and it is unethical, unethical to withhold it for any reason from a woman who has been raped. Guidelines must be established and enforced so that hospitals uniformly counsel sex assault survivors and offer them EC.

"I just want to thank the Representative from Waipahu for recounting his experience with a friend who was raped. Rape is not pretty. It is dirty, and its messy, and its bloody. I want you all to realize that it. It is not something that you just forget about tomorrow. Mr. Speaker, the bottom line is that no one has the right to refuse access to care that is appropriate for rape victims and meets the accepted standard of care. In fact, how dare anyone even suggest it? Thank you, Mr. Speaker."

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

Representative Morita continued, stating:

"Secondly, I would like to address the misapplication of the conscience clause. I would agree and support that healthcare institutions that limit their services to members of their religion, such as the Christian Science Sanatoriums, should be allowed to use the 'conscience clause'. However, once the religious affiliated organization, such as a clinic or hospital, moves into a secular purpose, providing medical care or social services to the public, and it is run as a business, they should no longer be shielded from the general application of the law.

"But, more importantly, this legislation is specific to sexual assault survivors. If the victim reports the crime, the sexual abuse protocol procedures will probably be in place to address emergency contraceptives as part of the treatment plan. However, this bill will help cover the victim that may choose not to report the crime. This person may unknowingly seek help from a religious based clinic or hospital and may not be given complete or accurate information, or the hospital or clinic may not make the appropriate referral because of its religious tenets.

"So at the heart of this matter are the ethical underpinnings of healthcare delivery, which is the patient's right to self-decision. Providers have a legal and ethical responsibility to respect and respond to the patient's rights, not only by obtaining their informed consent, but by also providing them with healthcare alternatives and information necessary to choose from among a full and wide range of alternatives. That is why this bill is important. Thank you."

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

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

"I'd like to register a strong reservation to this measure and would like to reflect this in the Journal."

Representative Moses rose to respond, stating:

"Thank you, Mr. Speaker. I just want to point out, this is my second time, that this bill calls for closing down the hospital if they do this twice. If they violate giving this medicine twice. I am telling you at some of these hospitals, St. Francis if you want to use a name, they will not do it. You are going to lose one of the major hospitals in this State. Thank you, Mr. Speaker. This is without the exemption clause."

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

Representative Lee rose to respond, stating:

"Mr. Speaker, I'd just like to, once again in support. In cases in the State of California where this is the law, there have been hospitals that have been actually forced to do it and they did not close. It actually is not always the policy of the Catholic Dioceses to prevent emergency contraception from being prescribed at Catholic hospitals."

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

Representative Stonebraker continued, stating:

"I wonder Mr. Speaker, if the Representative from Mililani will yield to a question at this time?"

At 8:04 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 8:04 o'clock p.m.

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

"I rise in opposition. I just wanted to read part of the bill here that addresses penalties. It says that if a hospital is not in compliance, the Department shall, not may, but shall, after two violations suspend or revoke the certificate of authority or deny the hospitals application for a certificate of authority.

"That is pretty harsh Mr. Speaker, especially in areas that only have one hospital. All it would take is neglect from one or two employees and the hospital is forced to close. And what is the community going to do for medical care then? They are going to be closed. They are going to lock the doors of the facility. This is not acceptable penalty. Thank you."

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

"I wish to support this bill with some reservations. And the reservation is the religious exemption. I believe the language is extremely strong and hopefully as this bill moves on, that they will look at more conciliatory language and to allow a more benign result to come out of this situation. 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. 189, HD 2, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY CONTRACEPTIVES FOR SEX ASSAULT SURVIVORS IN EMERGENCY ROOMS," passed Third Reading by a vote of 41 ayes to 10 noes, with Representatives

Bukoski, Finnegan, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker and Tamayo voting no.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 839) recommending that H.B. No. 1230, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1230, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in support of this legislation. Mr. Speaker, as a freshman Member of this Body, I have been thoroughly sensitized and educated by the good and sincere Representative from Hawaii Kai as to what a special fund is. And that is that a special fund is a 'slush fund'. In this case this 'slush fund' or special fund is the Governor's 'slush fund'. I on the other hand, support special funds if there is a logical, rational nexus between the source of the funds and the application of the funds. Therefore, I encourage this Body to pass this legislation."

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

"I thank the Representative from Manoa for pointing that out to me. I will inform the Body that I have filled out my pink slip to remain consistent to you, the community, and to the Governor for that matter. Eliminating 'slush funds', special funds, is not necessarily the answer, and I am not so narrow minded as to believe that special funds are not needed. But when an entire half of the operating budget is made up of special funds, you realize that we have a problem.

"Special funds or 'slush funds' represent the problem that we have with the lack of accountability. This is money that is being 'dished out', possibly to friends. A lot of its being who knows, we don't know where the money is. How many times has the Auditor gone into a department and ..."

Representative Souki rose to a point of order, stating:

"Mr. Speaker, point of order. I don't believe that has any relevance to the bill at hand."

Representative Stonebraker continued, stating:

"I will be brief. The Auditor has said on numerous occasions, "I cannot do this audit because it is in such disarray." Well we don't want to create too many special funds or 'slush funds' and have absolutely no accountability. So to remain consistent for the Members, I am voting 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. 1230, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Third Reading by a vote of 50 ayes to 1 no, with Representative Stonebraker voting no.

The Chair directed the Clerk to note that H.B. Nos.: 298, HD 2; 857; 1075, HD 1; 1579, HD 1; 18; 189, HD 2; and 1230, HD 1; passed Third Reading at 8:12 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 848) recommending that H.B. No. 297, HD 1, as amended in HD 2, pass Third Reading.

By unanimous consent, Stand. Com. Rep. No. 848 and H.B. 297, HD 2, was deferred to end of calendar.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 840) recommending that H.B. No. 426, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 426, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I rise in opposition. This bill deals with State leases for lands on Kauai. As originally written, I dealt with commercial properties where there are hotels or where there once were hotels they have sustained grave damage from hurricane Iniki and they'd like to put more money in improvements in there but they need longer leases. I support that part of the bill.

"The reason that I can't support the bill as it is presently drafted is because in Finance, the Kokee residential vacation cabins were added to the bill. I don't believe that issue was taken up in the Water and Land Committee. There was no testimony. There has been in other years, but this is a new Legislature and there was no bill heard. So for that reason, I find myself in a position to oppose this bill. Thank you, Mr. Speaker."

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

"In support and clarification. The reference is made to HB 428 which was indeed heard in Finance. And there was testimony presented by the Board. Thank you."

Representative Kawakami rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Kawakami's written remarks are as follows:

"Mr. Speaker, I am rising in support of HB 426, HD 1. I also ask to place remarks into the Journal.

"At a time when our economy is struggling, we should be supportive of any healthy economic stimulation that presents itself to us. The issuing of new leases of government lands in Kauai by DLNR is revenue to the State that should be continued. As a Representative for Kauai, I feel compelled to support a measure that numerous people from my district and throughout Kauai have expressed support for as well. Kauai's economy is particularly fragile, not only because of the State and national economic problems, but also because of the devastating Hurricane Iniki. The natural disaster was two years ago, yet the island is feeling the repercussions of its destruction even today.

"The bill applies to land in Wailua, Lihue and Kokee. With the issuance of the leases in these areas, the County of Kauai will be guaranteed revenue from these agreements for years to come, helping to stabilize the economy over a period of time. I believe that in times like these, good will come of providing appropriate and continued stimulation to economies, like the County of Kauai, that need 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. 426, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC

LANDS," passed Third Reading by a vote of 45 ayes to 4 noes, with Representatives Fox, Jernigan, Meyer and Ontai voting no, and with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 841) recommending that H.B. No. 968, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 968, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I rise in opposition, Mr. Speaker. I have a problem with this bill in these tough fiscal times. I just can't see how we can afford it. What I'm reading here is this bill encourages eligible claimants of unemployment insurance to seek gainful employment by permitting claimants to receive their weekly benefit without regard to earnings received from employment.

"I just don't understand that and why this bill would even become in front of us. So for those reasons, I rise in opposition. Thank you."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Mr. Speaker, I rise in support. Mr. Speaker, this bill would encourage eligible claimants of unemployment insurance to seek gainful employment by permitting claimants to receive their weekly benefit amount without regard to earnings received from unemployment. In response to the ever growing, conflict between the United States and Iraq, and the impacts of war will have on our economy, the Committees on Labor and Public Employment and Finance have worked out a package of legislation intended to provide assistance to citizens who will most likely be impacted by economic slowdown.

"The measures that are part of this package include: HB 290, HD 1, which will provide additional unemployment insurance benefits to persons laid off. And HB No. 294 which will provide temporary health insurance for unemployed persons who lose their health insurance. HB 968, HD 1, is also part of this package.

"Under current law Mr. Speaker, if an employee who works more than one job is laid off from one source of employment, the amount of unemployment insurance benefits the employee receives is offset by the amount of income the employee receives from the other job, less \$50.

"For example, if Mr. Pat Ledesma worked one job and made \$480 per week. Following September 11, Mr. Ledesma lost his only job. Mr. Ledesma applied for unemployment insurance and received the weekly benefit amount of \$298 per week or 62% of what he previously earned.

"Now we have Ms. Patricia Aki. Ms. Patricia Aki worked two jobs with a total income of \$480 per week, the same amount as what Mr. Ledesma has earned. For Ms. Aki's main job she earned \$360 per week and at her second job she earned \$120 per week. After September 11, Ms. Aki lost her main job. She applied for unemployment insurance and is entitled to a qualified benefit of \$223 or 62% of her earnings of her main job. However, from the \$223 the Department of Labor and Industrial Relations subtracted the offset of the total income received from the second job, which was a \$120 per week, minus \$50. With the offset Mr. Speaker, Ms. Aki's adjusted unemployment insurance benefit came out to be \$153 per week.

When you add back her wages from the second job, Ms. Aki's total take-home pay came out to \$273, or \$25 less than what Mr. Ledesma received from his unemployment insurance benefit.

"Mr. Speaker, when you stop and think about it, there is something wrong with this. Prior to being laid off, Ms. Aki made the same amount of take home pay as Mr. Ledesma. Yet after being laid off, Ms. Aki's take home pay was \$25 less than Mr. Ledesma, and Ms. Aki worked an additional 20 hours per week than Mr. Ledesma, since her second job was a part-time job.

"In other words, under the present law, Ms. Aki has to work 20 more hours than Mr. Ledesma for less money than what Mr. Ledesma received for not working at all. Mr. Speaker, both Mr. Ledesma and Ms. Aki are real people and the scenarios described here are for real.

"In my effort to better understand the situation, I had my staff consult with representatives from Local 5 to answer certain questions that came to my mind. First, who will this bill really impact? Because the constant amount in unemployment insurance offset mechanism the \$50 requirement is so small, the current law has the greatest impact on those workers who work more than one job on a part-time basis or near the minimum wage.

"According to Local 5 representatives, there are at least 5,000 of their members who fit into this category. These employees work as housekeepers, dishwashers, pantry workers, cooks, front office personnel, phone operators, reservation clerks, maintenance clerks and bell service attendants. Keep in mind that Local 5 makes up less than 30% of Hawaii's visitors industry ..."

Representative B. Oshiro rose to yield his time, and the Chair "so ordered."

Representative M. Oshiro continued, stating:

"Projected upon the entire visitor industry. The problem with the offset mechanism would have the most negative impact on the group of employees that number close to 17,000 workers throughout the State.

"Second, besides the hotel workers, what other types of businesses within the visitor industry would be impacted the greatest by the unemployment insurance offset problem? According to staff at Local 5, these include tour operators, tourist attractions, restaurants, transportation services such as buses and taxis, and retailers.

"Third, how will the problem with unemployment insurance offset impact communities on a demographic basis? According to the staff, this problem would seem to have its greatest impact on the Neighbor Islands where the hotel industry, in general, makes up some of the largest employers on most of these islands.

"Fourth, understanding that any impact on one industry would have a multiply effect on all other ancillary industries, what other supported industries and businesses could be negatively impacted by the uninsured insurance offset problem? Local 5 staff came up with a staff that included suppliers, distributors, wholesalers, delivery service providers, construction workers, banking and finance service providers and entertainment providers. Since most employers in the State are service-oriented, it is evident that should there be a massive lay off resulting from a downturn in our economy caused by the war in Iraq, every facet of our island society would be impacted by the uninsured insurance offset problem.

"Mr. Speaker, let's be clear about this. The elimination of the uninsured insurance offset would definitely have a financial impact on the unemployment insurance fund. The Department of Labor and Industrial Relations estimated that the elimination of the uninsured insurance offset would result in an anticipated increase of 7% in benefits provided or approximately \$10 million.

"However, it should be noted that the Committee also reported out HB No. 290, HD 2, which is also on today's Order of the Day for Third Reading. This bill incorporates provisions that are found in HB No. 1197, which conforms statutory provisions to the federal Temporary Extended Unemployment Compensation Act. According to the testimony provided by the Director of the Department of Labor and Industrial Relations, statutory conformity would allow the distribution of approximately \$31 million received in March of 2002, under the federal Reed Act of uninsured insurance benefits.

"Mr. Speaker, when these bills were heard by your Committee on Labor and Public Employment, the Committee was particularly sensitive to the concerns raised by the business community that any additional drain on the Uninsured Insurance Fund could conceivably result in higher taxes imposed on employers. To address this concern, language was added to HB No. 290 that would cease the provision of additional benefits once the Uninsured Insurance Fund reaches a threshold where the Department of Labor of Industrial Relations would have to raise employer contributions. Let me repeat Mr. Speaker so that there is no misunderstanding. This bill, as currently drafted, will not result in higher employer contributions to the Uninsured Insurance Fund.

"In summary, Mr. Speaker, if the tragic events of September 11 taught us anything, it was a need to prepare for the inevitable economic impacts which would come from massive layoffs in our State. When we go to war with Iraq we will be faced with massive layoffs, bankruptcies and hardships for our families, friends and neighbors. To ensure the health, welfare and safety of our entire State we must provide immediate and needed relief to our citizens. For these reasons, I respectfully urge our favorable consideration on this important measure. Thank you."

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

"I would like to register strong support for this measure and I'd like also to adopt the rationale of the gentlemen from Wahiawa as 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. 968, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT BENEFITS," passed Third Reading by a vote of 45 ayes to 4 noes, with Representatives Blundell, Jernigan, Leong and Ontai voting no, and with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 842) recommending that H.B. No. 641, HD 2, as amended in HD 3, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 641, HD 3, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Third Reading by a vote of 49 ayes, with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 843) recommending that H.B. No. 339, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 339, HD 2, entitled: "A BILL FOR AN ACT RELATING TO A COLLEGE SAVINGS PROGRAM TAX CREDIT," passed Third Reading by a vote of 49 ayes, with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 844) recommending that H.B. No. 196, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 196, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I'd like to speak in support of Standing Committee Report No. 844. Mr. Speaker, this bill would establish a geothermal to hydrogen investment tax credit equal to 20% of the total cost of geothermal to hydrogen systems. Its accessories and insulation. This bill passed unamended out of the Energy and Environmental Protection Committee, and the Committee on Finance added the provision that the act shall be repealed in January 1, 2008.

"Both the United States Department of Energy and the private sector have recognized the potential for hydrogen to serve as competitive alternative source of energy for fueling vehicles and generating electricity. What makes Hawaii an excellent place or site to attract government industry investments to develop such a hydrogen infrastructure is first, the availability of indigenous renewable resources that is geothermal energy. Second, first-class research capabilities of the University of Hawaii Natural Energy Institute was rated a center for excellence in hydrogen research by the United States Department of Energy. In fact in a 2001 study by the same Hawaii Natural Energy Institute at the University of Hawaii confirmed that the large-scale production of hydrogen from geothermal energy to be used for transportation fuel could be competitive this decade. And compellingly due to typical daily electricity demand patterns, geothermal energy is available at lower cost during off-peak hours utilizing the excess off-peak and low-cost geothermal power to produce hydrogen, and is not only energy efficient and environmentally friendly, but above all, economically sound.

"Mr. Speaker, what I envision from this undertaking of hydrogen-based economy is that we produce our own environmentally clean fuels and decreased reliance on fossil fuels, reduced pollution, job growth and thereby a more robust State economy. All of which are much desired and long overdue. Thank you, Mr. Speaker."

Representative Stonebraker rose in support of the measure with reservations, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Stonebraker's written remarks are as follows:

"Mr. Speaker, I rise to speak with reservations on HB 196, HD 1. The purpose of this bill is to encourage the development of a hydrogen-based energy facility through a tax credit. The problem with the tax credit method of encouraging

development of a hydrogen-based energy facility is that it does not hold the recipient of the tax credit accountable to taxpayers.

"Mr. Speaker, Department of Taxation employees do not have the expertise to distinguish between a poorly-engineered hydrogen facility and a prototype facility. The preferable way to accomplish our goal is to hold hearings, outline requirements, and appropriate funds, not have the Department of Taxation employees determine what qualifies as a good geothermal to hydrogen project.

"There is a problem with the drafting of this bill. The language granting the tax credit would allow five individuals, each contributing \$2 million to a \$10 million system, to each recover 100% of their investment. Do administrative overhead costs qualify for the credit? What about sales and marketing costs? I support the intent of this measure, but because of these problems, I will vote with reservations."

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

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

Representative Moses rose in support of the measure and asked that the remarks of Representative Jernigan be entered in 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. 196, HD 1, entitled: "A BILL FOR AN ACT RELATING TO A GEOTHERMAL-TO-HYDROGEN TAX CREDIT," passed Third Reading by a vote of 49 ayes, with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 845) recommending that H.B. No. 291, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 291, HD 2, pass Third Reading, seconded by Representative Lee.

Representative Stonebraker rose in support of the measure with reservations, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Stonebraker's written remarks are as follows:

"Mr. Speaker, I rise to speak with reservations about HB 291, HD 2. The purpose of this bill is to establish a job creation income tax credit. The bill seeks to stimulate the economy by targeting small businesses for a boost. While I support the intent of this bill, I have reservations because the bill doesn't address the underlying reasons that prevent small businesses from creating new jobs. If a small business isn't turning over enough profit to consider hiring a new employee, a tax credit will not be sufficient to allow them afford another employee. For this reason, the tax credit will probably benefit mostly employers who were planning to hire in the first place. In order to help small businesses, which are crucial to our local economy's health, we need to address the real reasons that prevent small businesses from expanding and hamper their ability to create new jobs. Let's find out which regulations are

unnecessary or very burdensome, and either eliminate them or try to rewrite them.

"This bill also includes loosely written language that needs to be tightened up in order to prevent small businesses from taking advantage of the credit without actually creating a new job. The bill is unclear about whether "new" refers to a position or a person. An employer could promote an existing employee and pay that employee the amount required to qualify for the tax credit, and bring on a new employee at a lower wage. Companies could also move positions between partnerships to qualify for the credit, but they will not have created a new job.

"I support the intent of this bill, but I will vote with reservations because I don't believe that it will accomplish what it sets out to."

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

"There's not much point in supporting the bill with reservations on Final Reading. I think my position would be in opposition. The difficulty with this bill is it's not going to accomplish what it's supposed to. Create jobs. And the incentives are too little to cause actual businesses that are dead up against hiring positions to make decisions to hire based on the fact of getting a tax credit, two-thirds of which goes to job training. Thank you."

Representative Schatz rose in support of the measure, stating:

"I'd just like to point out that we did take out the provision that requires the two-thirds of the credit go to job training. We also increased the credit itself and I just want to point out that we did work with about 8 or 9 businesses in cooperation with a couple of groups including Enterprise Honolulu and the Hawaii Business Roundtable. We did talk to business people directly about what it would take to create jobs and this is the result of that collaborative effort. Thank you."

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

"Thank you, Mr. Speaker. I'm going to vote no on this bill as well. I have some concern about the fact that the people that can get this credit, the date we're using is December 31, 2002. This could be a real boon to a fairly large company that's arrived in town and hires a lot of new people and creates a new job. I mean they may have just barely got started but they were fortunate enough to have been here and hired a bunch of people by that date. I would feel more comfortable if it's the date started. Well even in July rather than this date that is already passed.

"The other concern that I have with it is the provision, and I apologize to the introducer if this has been changed, I may have the wrong information. But providing specific taxpayer information. That undermines the basic principle of tax collection that being that the State relies on taxpayers to honestly self-assess their tax liabilities on their returns. Having the Department report what would normally be confidential taxpayer information to the Legislature, which I believe this bill calls for. This is something that I think is a 'slippery slope'. Thank you, Mr. Speaker."

Representative Schatz rose to respond, stating:

"Mr. Speaker, very briefly. I would just like to point out that we did remove that provision as well."

Representative Fox rose and stated:

"Mr. Speaker, are we referring to HB 291, HD 2? It says that the requirement of two-thirds of this credit used for workforce training. It is in Section 1 of the bill. I may be misreading it somehow."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 291, HD 2, entitled: "A BILL FOR AN ACT RELATING TO THE JOB CREATION INCOME TAX CREDIT," passed Third Reading by a vote of 47 ayes to 2 noes, with Representatives Fox and Meyer voting no, and with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 846) recommending that H.B. No. 288, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 288, HD 2, pass Third Reading, seconded by Representative Lee.

Representative Caldwell rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Caldwell's written remarks are as follows:

"Hawaii is generously blessed with renewable energy sources such as its solar, wind, geothermal, wave, and ocean thermal conversion energy resources. Yet Hawaii is over ninety percent dependent on imported oil, and its economy and well-being are vulnerable to disruptions in the world oil market. Current events have shown us that our future health, security, and welfare are linked to a concerted and deliberate effort to increase the use of the State's renewable energy resources.

"House Bill 288 begins the process, starting with the State government. The State is one of the largest consumers of electricity in Hawaii. In 2001, the State used over six hundred sixty-eight million kilowatts of electricity at a cost of approximately \$84 million.

"Substantial savings could be achieved through our use of renewable energy and energy efficient technologies. This bill allows us to achieve this goal, by appropriating funds for a statewide energy audit, requiring a study to identify, evaluate, and prioritize qualifying state renewable energy projects, and mandating the development of legislation to implement energy efficiency and alternative energy in state facilities.

"HB 288 also looks to the private sector and encourages the development of the State's alternative energy resources through a temporary renewable energy technologies tax credit and the extension of the energy conservation income tax credit for wind, solar systems, heat pumps, and ice storage systems, to systems installed and placed in service before July 1, 2007.

"Finally, HB 288 looks to a future clean and limitless source of energy by allocating moneys from the State's geothermal royalties to fund hydrogen research and development."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 288, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY CONSERVATION INITIATIVES," passed Third Reading by a vote of 49 ayes, with Representatives Arakaki and Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 847) recommending that H.B. No. 130, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 130, HD 1, pass Third Reading, seconded by Representative Lee.

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

Representative Lee's written remarks are as follows:

"Mr. Speaker: I rise in support of HB 130, a bill I introduced, Relating to Pension and Retirement Systems.

"In essence, this bill is very simple: It allows the spouse of a retiring government employee to have a say in what Employees' Retirement System retirement allowance option the employee chooses. Under current law, the retiree at his/her sole discretion can choose the option he/she wishes. Under one of the options available to many retirees, all payments cease upon the retiree's death. Thus, a spouse (who had no say over the option chosen) can be left without an important source of income upon the retiree's death.

"Under current law, it does not matter whether the couple had been together for 50 days or 50 years, the retiring spouse can opt to terminate pension payments on his/her death. Especially for couples who have been together for many years this situation is really intolerable and would certainly appear to conflict at least in spirit with the elective share provisions of Hawaii's probate laws. Hawaii probate law gives a surviving spouse the right to receive a specified portion of his/her spouse's estate regardless of what the decedent's will indicates.

"Hawaii's probate law reflects the fact that the economic contributions to the marriage whether by working at home or outside the home should be fairly divided between the spouses at the death of one of them (assuming of course that the spouse is not the sole beneficiary in a will). HB 130 will extend that principle to Employees' Retirement System payments.

"HB 130 also mandates a retirement benefits option that continues payment to a surviving spouse or reciprocal beneficiary if the retiring employee and spouse cannot agree on an option on their own. While this situation will probably not occur frequently, it is important that simple stubbornness not defeat the purposes of this bill.

"The problem of one spouse reaping all the economic benefits of marriage is not unique to Hawaii. For many years, spouses of Foreign Service officers and members of the military had no say in the disposition of their husbands' or wives' retirement benefits. At the federal level this has been corrected and, in fact, the federal solution is more comprehensive than HB 130 is. In addition to mandating spousal involvement in the benefits option choice, federal practice also covers the economic consequences of divorce. The situation sometimes arises that the employee and his/her spouse get divorced after many years of marriage. The federal government allows divorced spouses to receive part of the retirement benefits of the employee. The reason for this policy is that the spouse's efforts helped make the employee's government career possible and in many cases (both in the Foreign Service and the military) the spouse was expected to carry out certain duties without pay. Moreover, foreign postings often left spouses with few career opportunities outside the home.

"While HB 130 is an important step forward, I think the consequences of divorce for State employees is an issue that we should take up next Session. The unfairness of one spouse receiving all the benefits from the joint endeavors of marriage after a divorce needs to be addressed as well.

"Mahalo Mr. Speaker for the time to speak on this important matter."

Representative M. Oshiro rose to speak in support of the measure, stating:

"In support. This bill would require spousal or reciprocal beneficiary consent before the mode of retirement allowance is selected by a member of the Employees' Retirement System. Currently the ERS does not have any spousal consent requirement. However many private sector pension plans already require spousal consent under federal survivor benefit regulations. The consent issue is a problem that the retirement system administrators have faced throughout the United States and much of the problem stems from the situations, to the dismay of the surviving spouse, the joint-survivor option was not selected. Leaving the survivor with the financial hardship.

"This bill addresses the situation and makes it known up front as far as the choices with the employee beneficiary regarding their spouse or reciprocal beneficiary. 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. 130, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PENSION AND RETIREMENT SYSTEMS," passed Third Reading by a vote of 44 ayes to 5 noes, with Representatives Jernigan, Leong, Meyer, Ontai and Stonebraker voting no, and with Representatives Arakaki and Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 426, HD 1; 968, HD 1; 641, HD 3; 339, HD 2; 196, HD 1; 291, HD 2; 288, HD 2; and 130, HD 1; passed Third Reading at 8:37 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 849) recommending that H.B. No. 685, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 685, HD 2, pass Third Reading, seconded by Representative Lee.

Representative Karamatsu rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Karamatsu's written remarks are as follows:

"Mr. Speaker, I rise in support of Standing Committee Report Number 849.

"Mr. Speaker, the enterprise zone program was created in 1986 to encourage business activity, job creation, and economic diversification where they are most needed through regulatory flexibility and tax incentives. However, with the threat of war and economic uncertainty, time is of the essence, therefore, we must go further and work proactively to support areas losing a great number of jobs.

"Current law allows each county in the State of Hawaii to select six areas for designation by the Governor as enterprise zones. House Bill 685, House Draft 2, would go further by

directing the Governor to work with the City and County of Honolulu to create additional enterprise zones in areas where commercial real estate have a vacancy rate of fifteen percent or more. Underutilized commercial real estate and the loss of jobs in these areas must be addressed before the situation worsens.

"Although this measure would waive the requirements in sections 209E-4 and 209 E-5 of the Hawaii Revised Statutes, relating to zone designation and application review, the strict eligibility requirements in section 209E-9 of the Hawaii Revised Statutes will still be applicable for these two-year period enterprise zones.

"Accordingly, to be eligible, a business located in an enterprise zone must earn at least half of its annual gross revenue from trade or business within the zone. In addition, businesses must satisfy one of the following hiring requirements. "New" businesses must increase their average annual number of full time employees by at least 10 percent the first year. At the end of Year 2, the average annual number of full-time employees must not drop below the required Year One average. For "Existing" businesses, they must increase their annual average number of full-time by at least 10 percent the first year. In Year 2, existing businesses will need to continue their average annual number of full-time employees by at least 10 percent as well. Therefore, businesses must still work to receive state and city incentives.

"For the sake of fiscal responsibility, House Bill 682, House Draft 2, is very specific. On Tuesday, February 25, 2003, before the House Committee on Finance, the Department of Business, Economic Development, and Tourism (DBEDT) in its written testimony, stated, "...we have determined that of the three types of commercial real estate: office, industrial and retail space, there are few geographic areas on Oahu that have a vacancy rate of 15% or more in any of these categories." Hence, this bill will not be applied freely but rather prudently to areas in dire need.

"For members concerned about "home rule," the City and County of Honolulu can choose not to provide any of its incentives set forth in section 209E-12 of the Hawaii Revised Statutes if it is unable or unwilling to participate. Such a decision by the City will not terminate the temporary enterprise zone term of two years. Moreover, qualified businesses in these temporary enterprise zones will still be eligible to receive the state tax incentives until the zone terminates as a result of this measure's two-year sunset clause.

"Finally, this measure supports our goal in diversifying our economy by allowing a variety of industries to participate in this program, including a good number from the knowledge-based industries.

"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. 685, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ENTERPRISE ZONES," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 850) recommending that H.B. No. 146, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 146, HD 2, pass Third Reading, seconded by Representative Lee.

Representative Herkes rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Herkes's written remarks are as follows:

"Mr. Speaker, I rise in support of this bill. Mr. Speaker, this bill does more than what appears on the surface. The South Kona/Ka`u area is an area of high unemployment and a number of social problems. There are no agricultural or potable water systems in this area of the Big Island. This bill will allow some tax credits for Mac Farms to construct a carbon plant. In this plant they will burn mac shells, sell the residual carbon for carbon filters and use the energy to pump water for ag and potable use.

"Where there is now nothing, we can have jobs and an energy source to pump much needed water for both ag and potable uses.

"Mr. Speaker, I urge the members to support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 146, HD 2, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 851) recommending that H.B. No. 90, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 90, HD 1, pass Third Reading, seconded by Representative Lee.

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

"On 851, in support. This bill, like many in the series we are dealing with, has a 'poison pill' in it. It basically doesn't go into effect unless revenue hits some extraordinarily high figure. I think this is unfortunate and I am not sure if this bill's tax credit is refundable or non-refundable. In other words, is the tax credit available whether or not you have an income tax liability that rises to that figure? I am sorry. I am not aware of whether or not, what the answer is. I'm looking at the digest in front of me. But it is a very good feature. It should be refundable. People who go through the effort to buy long-term care insurance deserve to have a real tax credit for doing so. Thank you, Mr. Speaker."

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

"On the same measure in support and I believe it is a refundable tax credit and I'll submit my comments. Thank you.

Representative Stonebraker's written remarks are as follows:

"Mr. Speaker, I rise to speak in support of HB 90, HD 1.

"This bill proposes to encourage the general public to purchase long-term care insurance by establishing a refundable long-term tax credit of the lesser of \$2,500 or 50 percent of the cost of long-term care insurance premiums.

"As written, this bill will promote both individual and societal responsibility for managing the challenge of an aging population.

"This bill properly recognizes that baby boomers will live longer than any preceding generation, placing increasing demands on families and on society to cope with caregiving responsibilities. As they grow older, many baby boomers will also prefer to "age in place" using long-term care services to stay in their home or assisted living facility.

"The purchase of long-term care insurance reduces the risk of being institutionalized and lowers the burden on caregivers. One report indicates that increased purchases of comprehensive private insurance can reduce government expenditures for nursing home care, and increase tax revenues by returning caregivers to the workplace.

"The citizens of the State of Hawaii need responsible help with the problem of long-term care. This bill offers a responsible solution. For that reason, I am in support of HB 90, HD 1".

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

Representative Tamayo rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tamayo's written remarks are as follows:

"I was very conflicted in deciding how I would vote on this measure. I've decided to vote with reservations because I don't know the full history of the measure and concept, and have not done complete research.

"I am voting with reservations, and am inclined to vote no, because I know that the people of my district, and I would guess the majority of the low to middle class earners in our State, would object to yet another tax; more money being taken away from their families each month.

"With this bill, we are assuming that the people of Hawaii are irresponsible and cannot plan for their futures. It may be true that up till now, people have not been planning appropriately. I would prefer that we assist people by educating them so they may have the tools to make the right decisions in planning their future, rather than planning it for them. We can and should also assist them, as we are with HB 1616, HD 1, in providing tax credits for those who do make the effort to help themselves."

Representative Meyer rose in support of the measure and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Meyer's written remarks are as follows:

"I rise with reservations on HB 90. I am in favor of the intent of this bill, which seeks to grant relief to resident taxpayers who are paying long-term health care premiums. I am generally in favor of tax credits, however in this case refundable credits would be more beneficial than a non-refundable tax credit. Many older people at this point in their lives are living off of small pensions which don't require them to file taxes. In these cases, a tax credit will do these people little good.

A refund credit would serve to meet the intent of this bill much better."

Representative Moses rose in support of the measure and asked that the remarks of Representative Fox be entered in 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. 90, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 852) recommending that H.B. No. 1616, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1616, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I am rising in opposition. Very briefly, two main points. The benefits are short in duration and very low in value. And this is another special fund that we are creating in which to raid later. Thank you."

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

"Mr. Speaker, I rise in opposition. I agree with the goal we need to address this situation. I just disagree with the means in which we go about doing it. Again, there is a tax here. The tax is relatively burdensome depending on where you end up on the income scale.

"Also, the benefits generally would not cover all the needs and so it tax is highly regressive at one end, and gives insufficient benefits at the other. I don't think that the introducers meant this to be the 'end all, be all' of longterm care. Supposedly, it was just a short step in the right direction, but I just disagree with the way in which it tries to solve this problem. Also I ask permission to insert additional remarks into the Journal. Thank you."

Representative Pendleton's written remarks are as follows:

"Mr. Speaker, I rise in opposition to this measure. I believe that long-term care is a serious problem which must be addressed. I believe that the introducers of this measure are sincere. I disagree, however, with the notion that the only way to approach this problem is with a governmental monopoly. I disagree that we need a bureaucracy and a new tax to solve this problem.

"Why is it that every solution must be a governmental one? Why is it that when we want to find a solution it must involve raising taxes, hiring civil servants, and growing our government?"

"It does not follow that a solution must be a governmental solution.

"I want to solve this problem, but in a way very different from the approach of this measure. Hence my opposition.

"This is a tax. This is a governmental approach.

"Let me discuss a different way. Let me discuss long-term care for retired, elderly people which would not result in a tax increase.

"I have read the research of credible and sophisticated think tanks such as the Heritage Foundation. I find their free market approach preferable to the statist approach.

"The current system has a vast majority of payments coming from the public in one way or another. One way is through Medicaid directly for people who are "spent down" to Medicaid levels of coverage. The other way is through Medicare contributions for those people who are on the way to needing long-term care, or who are getting a significant amount of long-term care through the Medicare program.

"Medicare is supposed to be focused on acute care, but a lot of the growth in recent years has been in home health and skilled nursing services.

"Less than one out of five of these beneficiaries are privately financed, and only a small part of that comes from private long-term care insurance premiums.

"What I support, Mr. Speaker, is more patient-centered, choice-based care.

"We need not more cookie cutter, one-size-fits-all approaches. We need more opportunities and more incentives for people to purchase private long-term care insurance options.

"That's why I supported and support the long-term care tax credit we voted on a moment ago.

"I think we need to create more incentives to purchase long-term care insurance, we need to couple that with catastrophic health care policies and medical savings accounts.

"This measure will provide too little too late at too great a cost in terms of the new tax.

"For these reasons I oppose the measure."

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

"I rise with some very serious concerns on this bill and I'd like to insert comments in to the Journal," and the Chair "so ordered."

Representative Tamayo's written remarks are as follows:

"I stand in strong support of this bill. I do not think that we should tax every person in this State, to make up for lack of planning by our residents. Rather, I think we should assist people by educating them so they may have the tools to make the right decisions in planning their future, rather than planning it for them. We can and should also assist them, as we are with this bill, in providing tax credits for those who do make the effort to help themselves."

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

"Thank you, Mr. Speaker. I rise in opposition. My first concern is with the absence of an accountability mechanism regarding payment of benefits. This worries me because my husband works closely with seniors for his second job. And often there are family members with seniors that are looking for ways to live off of their parents. If I am going to be taxed, I want to be assured that my tax money is going to taking care of the elderly. These unscrupulous family members, I feel, will look to this fund to get free money without trying to provide minimal care for their elderly family members. In fact, this extends to people in general who want to take advantage of the elderly.

"My second concern is with the message that we are sending to Hawaii's people with this bill. There is a personal battle within me balancing compassion and family responsibility. I am proud to be from a culture, the Filipino culture, that future plans include caring for our parents.

"Thirdly, as we choose to make attempts to raid the Hurricane Relief Fund and to raid money from the Employees' Retirement System, I cannot in good conscience create a new fund even though it is said to be secure. Thank you."

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

"I rise in support of the measure. And I don't want to speak for too long. I have a long speech to insert in the Journal," and the Chair "so ordered."

Representative Lee continued, stating:

"I'd just like to say a few things about this plan and about some of the comments that were made about family members. This bill is for the family members. This is a caregiver bill. I am kind of taken aback by the implication that family members are bad people and they would take money from this Fund and use it for their own purposes. This money will help caregivers to keep their moms and dads, and aunts and uncles, and other disabled people at home.

"The beauty of this bill is it is really a consumer bill. It is a consumer bill that lets people decide how they want to use their money. It is a lot different from the bill previous to this which is a long-term care insurance bill which is good too. In fact these two long-term care policies could be used in conjunction with each other. The long-term care program that we are looking at in the present bill would help people to stay out of institutional care for quite a while. It does provide only 365 days worth of benefits, but not everybody needs benefits every day of the week for one year.

"For instance, the person could use the services two days a week for three years and that way it would keep a person out of institutional care for three years. Then they could access their long-term care policy and that would last for a few more years. And then eventually they'd have to actually spend down their resources. Please remember that long-term care policies don't last forever. Neither the CarePlus program nor other long-term care policies that one purchases in the community.

"So this is a way to use both the CarePlus Program and the long-term care tax credit together to extend the amount of time that people can stay with in their homes, and to assist caregivers most of all, who are the forgotten people in our community. Thank you, Mr. Speaker."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I speak in support of this measure.

"According to testimony of Mr. David M. Walker, Comptroller General of the United States, before the Special Committee on Aging of the U.S. Senate, any consideration of long-term care financing must keep in mind that long-term care is not just about health care—it also comprises a variety of services that an elderly or disabled person needs to maintain the quality of life such as housing, transportation, nutrition and social support.

"According to Mr. Walker, there are several considerations, which need to be made when shaping proposals.

1. Determining societal responsibilities.
2. Considering the role of social insurance.
3. Encouraging personal responsibility.
4. Recognizing the benefits, burdens, and costs of informal caregiving.
5. Assessing the balance of State and Federal responsibilities.
6. Adopting an effective implementation system.
7. Developing a financially sustainable public commitment.

"In coming years, the sheer number of aging baby boomers will swell the numbers of elderly with disabilities and the need for services in our State. In addition, as I have stated many times on this floor, the change that is apparent in Hawaii is the swelling ranks of those over 80 – or the elderly elderly. We cannot continue to deny that we have a problem. There is no doubt in my mind that in addition to private sources of long-term care insurance, we must decide whether society should supplement those services.

"There is no doubt in my mind that government will have to take a role beyond encouraging people to buy insurance. A recent GAO report suggests it may soon be necessary to institute voluntary or mandatory social insurance to assist broad groups in our society.

"In many ways, we here in Hawaii are on the cutting edge. This bill is a start to addressing our growing long-term care costs.

"In the words of Terry Morton, New Hampshire Health and Human Services Commission, "if we don't find some alternatives for financing long-term care, it is going to bust the bank, not just for New Hampshire, but for the country. This is bigger than Social Security and Medicare."

"The aim of the bill before you is to help people stay at home as long as possible; something everyone wishes. A \$70 daily benefit for 365 days will go far in paying for in-home services.

"A care advocate would provide initial assistance to help families make choices.

"This plan is a comprehensive one because the benefits can be used by the recipient for any service the patient requires, including helping to pay a caregiver, nursing home or prescription drugs.

"Since the benefit can also go to a caregiver, it will help the 75% of the caregivers who are women – they are the people who lose time from work, give up jobs, lose health insurance and ultimately lose their careers.

"We are already all paying for long-term care either directly or through our state and federal taxes, which are spent for Medicaid and other government programs.

"The Medicaid program is incurring huge cost over-runs and draining money from other state programs. One third of Medicaid goes to long-term care and this is increasing every year as costs rise and our population ages.

"Tax credits for long-term care are something that may be complimentary to the CarePlus program, but why concentrate on those who are already able financially to purchase long-term care insurance. To take tax revenues to help a small percentage of people does not seem to be good public policy.

"We need a plan that will benefit as many people as possible and – a plan that allows the patient or caregiver to choose the service they need, placing the control of their care in their hands. We have the makings of such a plan before us.

"I urge my colleagues to support this bill."

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

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

"Thank you, Mr. Speaker. I rise in opposition to this measure. I am concerned about the special fund. After about five years, there will be over \$500 million in this account for up until 2012. Over a billion dollars. This is a lot of money sitting there. A big temptation if we are looking for funds to raid.

"I am also concerned about how this will affect small businesses. Employers would have to modify their payroll systems to withhold the purposed tax from employees. For many small businesses this is a substantial burden.

"Also I am concerned about the imposition of an additional income tax, a burden that it would have on lower income employees or individuals who work only part time.

"Another problem with this is taxpayers are normally allowed to an itemized deduction for a State income tax paid for federal and State income tax purposes. With this withholding tax, they will not be able to get a deduction.

"Another problem with this is that there is no portability. A young person who grew up in Hawaii could work here for 15 years, and find that there are better opportunities on the mainland and kiss that money good bye. Somehow that just doesn't seem right.

"This is a social remedy that looks like a good idea but it is far from fair. Those are some of the things on the top of mind. But I can't support it."

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

"Thank you, Mr. Speaker in opposition. First I am going to make two points. One about this program, and I am going to talk about a model that I think we ought to put in place instead of this program.

"The problem with this program is it doesn't have anything to do with the period of time when you are in the nursing home. That \$70 a day is not enough money to take care of you during a nursing home. Where it's going to effect it is that it is going to help offset the cost of taking care of people in their homes. That means that people that are struggling to take care of people before they reach the stage that they have to go into a nursing home, will now be compensated for what they are doing. That is good, but it doesn't deal with the problem of taking care of people who are in such bad shape that they really need nursing home care. That is the great unmet need along with prescription drugs that Medicare is failing to deal with. And so I want to talk about briefly about how we should take care of this problem.

"First, the federal government cannot step in and fill the whole need here. It is just too expensive. But what the federal government should do is supply every American over 65, and people who are disabled, with catastrophic health insurance. Catastrophic health insurance goes into effect after you have exhausted a certain amount of your resources. There is just nothing more you can do. Then the federal government steps in

and takes care of that. This is an insurance policy that everybody has, paid for through Medicare. So you pay it through your payroll deduction. We should put that in place. It will cost more, but we need it.

"Second, we should encourage people to buy private insurance and the way we should do it, we should up front, sell private insurance at cheaper rates than if people wait around to buy it. So when the program goes into effect, you will have a subsidized lower rate. If you sit around three or four years without buying your private insurance, the rates will go up. So the encouragement will be to go right away.

"Now in addition to that, if you fail to sign up for private health insurance to take care of you in your later years of life you, will have to sign a document. And when you sign the document you are going to sign away your resources at that stage of life. The resources that are now protected under Medicaid, your house, you are going to sign away your ability to keep your house if you don't buy insurance and you go into a nursing home and you need to be cared for. You will be cared for in the nursing home but you will pay for that nursing home care, according to the contract you have signed when you signed away your right to buy insurance. That house will pay for you when you go into that care.

"So together this is a package that will enable us to get our population into health insurance without burdening the taxpayers of Hawaii. Thank you."

Representative Ching rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Ching's written remarks are as follows:

"Mr. Speaker, I rise to speak with reservations on HB 1616, HD 1.

"This bill proposes to impose a mandatory long-term care income tax on all residents for the purpose of creating a system to pay for long-term care expenses. The bill requires every employer making payments of wages to employees to withhold from such wages the mandated amount of long-term income tax.

"As written, this bill will expand government to tax everyone as a means of financing long term care. The bill also raises the cost to taxpayers over 6 years with no specification about what happens after that.

"Under this proposal, there is no assurance that the real cost of long-term care will be reduced. There is also no protection against the administrative inefficiencies from the further expansion of government.

"Let me offer a relevant quote the Hawaii Medical Association: "We believe the package of both tax credits and incentives can lead Hawaii's citizens [to] take charge of their own destiny, rather than waiting for government to tax everyone to be our keeper." This bill, as written, weakens the basic right of individual citizens to plan for their own futures. HMA believes that Medical Savings Accounts and tax credits are the best ways to preserve that right.

"In its current form, HB 1616, HD 1, is a vehicle for further discussion to develop solutions to this all-important issue of long term care. Residents of Hawaii need long-term solutions. For that reason, I am voting with reservations on HB 1616, HD 1 instead of voting no."

Representative Stonebraker rose in opposition to the measure and asked that the remarks of Representative Meyer be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Stonebraker continued, stating:

"And rather than tearing into this bill, the cost per person will be \$276 by 2011, and to me Mr. Speaker, I've got two daughters and maybe more on the way. That is up to my wife, mainly. But that is \$550 for us when my kids will be 12 and 10 years old. That may mean whether or not we go to a Neighbor Island for vacation, or whether or not I am able to buy them shoes or dresses. The bottom line here is this is removing millions of dollars from the economy, and I almost feel I should ask for a conflict because this is going to hurt me and my family. That is why I have to vote no.

"I know I have a grandmother in Pearl City that my parents help take care of now, and I look forward to taking care of my parents. I realize that is a responsibility and a privilege. But this is going to hurt me. It is going to hurt Hawaii's families. It is going to hurt Hawaii's economy. And while the need is great for long-term care and drug coverage, to address these issues, this is going to do more damage, I feel, than good. I won't prolong my speech but with that being said, I am voting no."

Representative Jernigan rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Jernigan's written remarks are as follows:

"This plan will create a drag on the economy by adding a new tax and create a new special fund. This would be a bureaucratic State run insurance plan for all instead of for those who cannot afford such care. It establishes premiums that are not risk adjusted. I think a non-refundable tax credit would be a better solution. This would reward younger workers to plan responsibly for the future."

Representative Bukoski rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Bukoski's written remarks are as follows:

"In opposition to HB 1616, HD 1. This measure mandates a tax on all working individuals who are subject to Hawaii income tax. It is an unfair tax levied across the board that does not allow for exemptions for individuals who already have their own private long term care insurance. The tax increases incrementally over several years. The benefit provided is \$70 per day for 365 days.

"There currently exists privately placed long-term care insurance with comparable premiums that deliver more benefits, typically \$90-\$100 per day for 730 days. There is a measure that is making its way through the House that provides for tax incentives to those who purchase private long-term care insurance.

"I whole-heartedly empathize with the situation we now face in providing care for our elderly, but there are other ways to accomplish this without imposing an unfair tax upon the entire populace, many of which may never take advantage of the benefits provided by this measure. The State has already proven itself to be irresponsible with taxpayer money; case in point is the Early Retirement System. Will the money be there when I am ready to take advantage of its benefits?"

"I support educating our citizens on purchasing private long-term care insurance as an alternative to this mandated tax. In addition, a tax incentive to promote this purchase would be favorable. For these reasons, I oppose this measure as written. I would, however, be open to reconsidering my position, should there be an exemption for those who provide proof of privately placed long-term insurance."

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

"In opposition and just wanting to comment in regards to the Representative from Mililani's concerns. I just wanted to refer my colleagues to the latest news that a daughter left her mother destitute, virtually draining her mother's finances. That is recently. That daughter was a trusted family member and a caregiver.

"The other thing is the elder Sentinel Group that I visited last week in their seminar mentioned, financial abuse and neglect given by family members."

Representative Lee rose to respond, stating:

"Mr. Speaker, I'll just respond to that. I was actually the originator of the caregivers' support group in Mililani so I have occasion to meet with a lot of caregivers. There may be some people who are bad people, but I believe that caregivers are among the best people we have in our State. They are unseen. They do their work very quietly. No one gives them much appreciation. I feel this is a good bill for them and I doubt that many of the people that I know who are caregivers would do anything bad to their mother or their father through this program."

Representative Moses rose in opposition to the measure and asked that the remarks of Representatives Meyer and Fox be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

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

"Thank you, Mr. Speaker. In support. Just a few facts. Statistically, 71.8% of those 65 or over are going to need some degree of in-home care. I just wonder, out of this room, out of this Chamber, 71.8% of you, even me, is going to need that type of long-term care. I want to know how many of you are prepared? How many of you have long-term care insurance? How many of you are going to be able to maintain payments? I suppose this is more or less a high-income group so we are going to have a pretty good percentage. But think of your neighbors and some of your relatives who don't have the kind of means or the jobs that we have. Are we going to leave it up to our sons and daughters to take care of that? Or are we going to invest today so that when the time comes we don't have to depend on them, or we don't have to depend on government to take care of all our needs.

"I am sure that when social security was proposed, people thought, 'Well, I don't want the government to take my money away.' But where would people be without social security today? Where would people be without Medicaid today? The fact is that over 80% of the people being cared for today are being cared for at home. Because in Hawaii it is a greater percentage than the rest of the nation, granted. But I think you all know why. It is because we prefer to keep our family members at home. We sacrifice to do that. People quit their jobs or people are forced to quit their jobs because of that. Is that what we want for our future?"

"We are so fortunate. We are so blessed, because we have a great environment, we have good people and that is why I think we live so long. But in that long life, how do we want to spend it? Do you want to be forced to be put in a nursing home? Or do we want to stay at home for as long as we can. The fact is government programs and long term care insurance right now does not allow for that type of in-home care. This is what we are addressing.

"I just think that with my mother, when she came out of the hospital after triple bypass, she needed long-term care. We scrambled to see what we were going to do. If any of you have been in that situation, you know how difficult it is to make that kind of decision at the last minute. To scramble to look for resources. To find out who is going to care for your parent. I think that the best part of this program is that it gives you one year. It gives you one year to think about what can be done for your family member. I know it doesn't seem like a long time. But one year is a good transition to get your family together, to get your resources together, to get your parents and ask them how they want to be cared for. But when you are forced to make that kind of decision when your family member comes out of the hospital either from a stroke or heart attack, whatever. That is the worst time to make that kind of decision.

"So I say this is a great investment. A great investment, and it is not just for us. It is not just for the elderly today. It is actually going to be for our children. Because I think come that time, we're all going to be glad. We are going to look back on this, and this year, and we are going to be glad that we did this. We are going to be glad that we showed some vision, some courage, and some foresight to do this. So I want to encourage all of you to please support this measure."

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

"I just want to rise in support. It's a good bill but it needs a little bit more tinkering. So I'd like to note 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. 1616, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Third Reading by a vote of 36 ayes to 14 noes, with Representatives Blundell, Bukoski, Evans, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no, and Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 853) recommending that H.B. No. 290, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 290, HD 2, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 854) recommending that H.B. No. 1394, HD 1, as amended in HD 2, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1394, HD 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION TO STIMULATE THE ECONOMY," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 855) recommending that H.B. No. 1400, as amended in HD 1, pass Third Reading.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.B. No. 1400, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HOTEL CONSTRUCTION AND REMODELING TAX CREDIT," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 856) recommending that H.B. No. 1554, as amended in HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1554, HD 1, pass Third Reading, seconded by Representative Lee.

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

"On 856, in opposition. This is a bill that we discussed on Second Reading. It is a tax increase for the residents of Oahu. Thanks a lot."

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

"Mr. Speaker, in strong support of the measure. Thank you, Mr. Speaker. Colleagues, this is not a new tax. Over ten years ago, the Legislature authorized each of our counties to impose a surcharge of a half a percent to fund the Honolulu Mass Transit System, as well as other public infrastructure needs on the Neighbor Islands. Although this authority was never used by our counties, the concept of providing flexibility is welcomed. I urge my colleagues to support our counties by supporting this measure."

Representative Takamine rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Takamine continued, stating:

"If I could, I have just a couple comments. Mr. Speaker, basically HB 1554 is enabling legislation. It creates an option but it doesn't do anything beyond that, and basically the City and County of Honolulu will have to choose whether it wants to raise its own county GET. The measure was amended in the Finance Committee so that basically, any reallocation of TAT would be contingent upon an initial action by the City and County of Honolulu. Thank you, Mr. Speaker."

Representative Takamine's written remarks are as follows:

"House Bill 1554, House Draft 1, proposes to authorize the City and County of Honolulu to levy a county general excise tax and redistribute Honolulu's share of the transient accommodations tax to the remaining counties.

"Let me reiterate that this only authorizes this action. The bill does not mandate it. If the City and County so desires, it may raise a county GET. Then and only then, will the TAT distribution be altered.

"This is a case of homerule, Mr. Speaker. We are giving the City and County of Honolulu the option and flexibility to address its own fiscal concerns. In effect, it allows for a greater latitude in self-determination.

"But this measure not only provides greater flexibility for Honolulu. The possible benefits of this bill extend to all counties. Due to the fact that they do not have a large population base from which to draw taxes, the neighbor island counties rely heavily on revenues from the Transient Accommodation Tax. Providing the counties with a larger share of TAT revenues would allow them to more squarely address their own revenue problems. In fact, when this bill was heard before your Finance Committee, all counties submitted testimony in strong support.

"It is appropriate that if the City and County of Honolulu is granted a revenue-enhancing ability, that it be one that is exportable. The GET is not only paid by Hawaii residents, but by visitors as well. In essence, tourists would be helping to fund the infrastructure which they are using while vacationing here in Hawaii.

"On a final note, let me point out that we would not be setting a precedent in granting this authority. You may recall that the ability to establish a county GET was granted thirteen years ago in order to provide the counties with a mechanism to fund a system of rapid transit. As you know, that authority was never used, but it was there as an option, just as this would be."

Representative Chang rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Chang's written remarks are as follows:

"The City and County of Honolulu, as well as all other counties, support this measure, which would provide the counties with additional financial flexibility.

"This measure would remove the City and County of Honolulu from receiving any TAT revenues, and enables them to establish a GETU surcharge of an unspecified percentage. It also increases the allocation of TAT revenues to the tourism Special Fund and other counties.

"This is a win/win for all counties, because, as you know Mr. Speaker, all of our counties are having a tough time balancing their budget. This bill will give our biggest county, with the largest amount of visitors, the ability to raise substantial, much-needed revenues to provide for Oahu's residents.

"It will also increase the other counties' share of the TAT:

Kauai would increase from 14.5% to more than twice as much, 29.27%.

Hawaii would increase from 18.6% to 33.3%.

Maui would increase from 22.8% to 37.5%

"Mr. Speaker, because we capped the Tourism Authority at \$62.297 million, the excess would be put into our general fund, an estimated \$8.5 million, to help balance the budget.

"For this reason, I encourage the passage of HB 1554, HD 1."

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

"Thank you, Mr. Speaker. I rise in support. Just briefly Mr. Speaker, I want to say that this is going to be a tremendous help to all of the counties. I want to just briefly read the statement of the Director of the City and County of Honolulu. And I quote:

Honolulu comprises about 72% of the State's total population and is responsible for a great deal of services provided to our residents. In order to prepare ourselves for the future and provide for fiscal sustainability, we need to realign responsibility and authority between the City and the State.

"I think this is what is being called for, not only with the City and County of Honolulu, but the County of Hawaii, the County of Maui, and the County of Kauai."

Representative Marumoto rose and stated:

"Mr. Speaker, just a point of information. I am wondering whether the Neighbor Islanders must declare a conflict since they will have more of the TAT to spend and they will benefit."

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

"Yes, Mr. Speaker. I speak in favor, although possibly I should sit down after that comment was made there. I would just want to say that I believe that this is a boon for the City and County of Honolulu. Even though I am not from Honolulu, I feel like I am from Honolulu. I feel like I am from Oahu. I have been living here for 20 years, for the most part, of that time.

"You can do a lot things with this. One thing, the GET, one-third of the tax is paid by the tourists. You can also, with some imagination, use it to lower your property tax. The City and County of Honolulu could have lower property taxes plus a big base of dollars to assist you in all of your CIP endeavors. So if I were from Honolulu, Mr. Speaker, I would be jumping with joy over something like this. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. This may be a boon for the City and County of Honolulu, but not for the taxpayers. I'd be leery if I was a Representative from the Honolulu area and I voted to raise their tax because that is exactly what you are doing. This is the most regressive form of tax there is in the nation.

"This is a use tax. This is a tax on everything you buy or want to buy. This is not a tax on a few luxury items. This is a tax on food, medical services. Remember these things? This is a tax on the milk you buy for your children. This is a big tax. And it is not a half percent. I'll bet the studies will show that this comes out around 14%. That is about it. This goes through the economy like ... I won't say what happens to a goose. This is a very, very regressive tax you should be very careful if you vote for this tax. Thank you."

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

"I vote with strong reservations. I basically don't like the across-the-board tax. I believe that taxation should be on the ability to pay it. I would rather see us increase the income tax. Thank you."

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

Representative Meyer continued, stating:

"I feel this is a real disservice to the people of the City and County of Honolulu. The counties have other ways to raise

money. The Deputy of the Tax Department said if the counties need additional revenue, there are other alternatives available without linking them to the Department's administration of the general excise tax. This is going to be a real bookkeeping nightmare.

"But the very worse part about it is the citizens in Honolulu that are going to have to shoulder this expense. We have a lot of people who are not employed. Who are on the lower end of the earning scale. And it is going to hit them hard, really hard, at a time they cannot afford it. Thank you."

Representative Meyer's written remarks are as follows:

"I rise in opposition to HB 1554 HD 1. Simply stated, Hawaii's taxpayers are already significantly overburdened. The provision to raise the GET from 4% to 4.5% in Honolulu would negatively affect Oahu residents only, while the provision to give Honolulu's share of the TAT, Transient Accommodation Tax, to the other three counties would unduly benefit them.

"This 13% increase in taxation would create additional administrative bureaucracy for the Department of Taxation. To comply with this bill they would need to hire additional personnel to do the paper work to separate the ½% from all the GET tax collected and create the necessary forms and ledgers to account for the monies and transactions, to the City and County of Honolulu.

"The counties have many other ways of raising revenues. They are presently poised to raise the rates they charge on the assessed value of real property. In Addition, last year they raised the assessed values from 10% to 60% on all properties on Oahu.

"It would seem to add insult to injury to pile on more and more taxes, yoking the Honolulu residents with a larger than ever tax burden. The City and County of Honolulu, like the State of Hawaii, must exercise discipline at this time and make every effort to live within existing means.

"A better revenue generator would be to re-examine Hawaii's current business laws that force so much of Hawaii's business activities underground, resulting in a great tax revenue loss. Let us improve the business environment, review and reduce the regulations and burdens for small business owners and bring more of Hawaii's commerce up into the light of day."

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

"I'd like to vote with extremely strong reservations."

Representative Evans rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

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

"Thank you, Mr. Speaker. I'd like to stand in opposition to this bill. If I understood some of the comments that were being discussed around the Chamber, I understand that the counties can already do this, and so why would we be enacting another law to do the same thing? 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. 1554, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COUNTY TAXES," passed Third Reading by a vote of 39 ayes to 11 noes, with Representatives Ching, Finnegan, Fox, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no, and Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 685, HD 2; 146, HD 2; 90, HD 1; 1616, HD 1; 290, HD 2; 1394, HD 2; 1400, HD 1; and 1554, HD 1; passed Third Reading at 9:07 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 857) recommending that H.B. No. 1509, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1509, HD 2, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I rise in support of this bill and I am really very excited about it. It brings to fruition an effort that started in 1971 to preserve sensitive and historically valuable lands in South Kona. The intent of this effort is not to create a park with roads, and viewing platforms, and restrooms. The intent is to put a *kapu* sign on these historic lands and to preserve it forever."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1509, HD 2, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. No. 1509, HD 2, passed Third Reading at 9:08 o'clock p.m.

At 9:08 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:23 o'clock p.m., with the Vice Speaker presiding.

THIRD READING

At this time, the Chair announced:

"Members, we're on page 18. What I am going to request from you Members, is that the Senate finished their session about an hour ago. We want to hopefully, wrap up in the next hour so we can send some people home. What I am going to do is every time you stand up, I am going to request that you submit your written remarks unless you really, really want to speak. Maybe we'll let the floor decide or something.

"If there is a bill and everyone is in support, just stand up and if you have a reservation, just stand and note your reservations. If everyone is in support, I encourage you to submit your written comments. Let's try to move on for the next eight pages in the next 30 minutes."

H.B. No. 1117, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1117, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Souki being excused.

H.B. No. 1258, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1258, HD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE FRANCHISES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Souki being excused.

H.B. No. 1471, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1471, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND COURT," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Thielen voting no, and Representatives Halford and Souki being excused.

H.B. No. 1339, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1339, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Souki being excused.

H.B. No. 96, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 96, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," passed Third Reading by a vote of 49 ayes, with Representatives Halford and Souki being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1117, HD 1; 1258, HD 1; 1471, HD 1; 1339, HD 1; and 96, HD 1; passed Third Reading at 9:25 o'clock p.m.

H.B. No. 593, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 593, HD 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE," passed Third Reading by a vote of 49 ayes, with Representatives Halford, and M. Oshiro being excused.

H.B. No. 595, HD 1:

Representative Saiki moved that H.B. No. 595, HD 1 pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I just want to record a reservations vote on this. This is legally 'loan-sharking'. Thank you."

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

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Caldwell rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

Representative Lee rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Wakai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Morita rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Kahikina rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Tamayo rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Evans rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 595, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CHECK CASHING," passed Third Reading by a vote of 46 ayes to 3 noes, with Representatives Fox, Thielen and Waters voting no, and with Representatives Halford, and M. Oshiro being excused.

H.B. No. 139, HD 1:

Representative Saiki moved that H.B. No. 139, HD 1 pass Third Reading, seconded by Representative Lee.

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

"Opposition. This bill encourages gauging of tourists and residents when they travel to the Neighbor Islands. We should vote it down. We can do it quickly."

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

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

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

"Thank you, Madame Speaker. We are on a roll. We can vote it down. No, and the words from the Representative from Waikiki please" and the Chair "so ordered." (By reference only.)

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

Representative Finnegan rose in opposition to the measure and asked that the remarks of Representative Fox be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

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

"Just with reservations. This still needs work. I have the same concerns as the previous speakers."

Representative Ching rose in opposition to the measure and asked that the remarks of Representative Fox be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

"Madame Speaker, serious reservations too."

Representative Tamayo rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Evans rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Hale rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Kahikina rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

Representative Mindo rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Leong rose in opposition to the measure and asked that the remarks of Representative Fox be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Magaoay rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Chang rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Marumoto rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

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

Representative Hiraki's written remarks are as follows:

"Mr. Speaker, I rise to support HB 139, HD 1. In 1990 the Legislature barred the payment of commissions on the sale of rental vehicle collision damage waivers because of the potential for abuse relating to its sale. Since then, the motor vehicle rental industry has changed. At present, there are fewer than fifteen rental companies in Hawaii. In addition, the disclosure law requires collision damage waivers to be accompanied by a boldface, plain language description of the scope, optional nature, and cost of the collision damage waiver. Consumers must also be informed that they may already be covered under their personal automobile insurance policy.

"The motor vehicle rental industry should no longer be singled out by a law that bars any and all commissions in any

way associated with the sale of collision damage waivers. HB 139, HD 1 prohibits only commissions based solely on the sale of collision damage waivers. With the disclosure law already in place and this limited law, consumers have ample protection against abuse in the sale of collision damage waivers.

"In summary, I support passage of HB 139, HD 1. The interest of business and consumers may both be accommodated by this more limited law."

Representative Sonson rose and asked that the Clerk record 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. 139, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY," passed Third Reading by a vote of 36 ayes to 13 noes, with Representatives Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker, Takumi and Thielen voting no, and with Representatives Halford, and M. Oshiro being excused.

H.B. No. 140, HD 1:

Representative Saiki moved that H.B. No. 140, HD 1 pass Third Reading, seconded by Representative Lee.

Representative Marumoto rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Marumoto's written remarks are as follows:

"Mr. Speaker, I rise to speak in opposition to HB 140, HD 1. The purpose of this bill is to allow rental car companies to collect an additional amount from a customer who damages a rental vehicle in an accident, even after the insurance company has replaced the car or repaired it to pre-accident condition. The bill would saddle these customers with liability for this amount, which is known as 'diminution in value,' without warning that customer. This is unfair, and for this reason, this Body should not pass this bill.

"Compounding the unfairness, this bill does not require the rental car companies to warn customers of this liability. If the renter does not have collision coverage on his or her personal auto policy, the renter may be liable for the full value of the vehicle.

"This bill allows rental car companies to charge the renter who damages a vehicle, the diminution in value by subtracting the price determined at a public auction from the blue book value. The renter has the option of bidding on the car himself, in person, or over the phone. The rental companies suggest that the renter has the option of buying the car, fixing it, selling it, and paying the rental company the diminished value. This is not a realistic or fair option for customers, hardly realistic when you realize many of our renters are tourists.

"If this bill passes, visitors might avoid venturing to the Neighbor Island since rental cars are more necessary on those islands. The last thing we need are laws that discourage people from doing business with companies in our State. The current law is fair to both rental car agencies and to consumers, and the bill would create an unfair situation, so I will be voting no on HB 140, HD 1."

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

Representative Meyer's written remarks are as follows:

"I am rising in opposition to HB 140. To be direct, it is impractical, burdensome and significantly problematic to implement. The overwhelming majority of Hawaii's rental cars are rented by vacationers and tourists. This bill would compound the already unfortunate and unpleasant incident of a car crash while on vacation in paradise. This bill seeks to recover additional money from the consumer by refusing to have the insurance company repair the vehicle. Insurance companies usually cover the cost of repairing the vehicle or pay actual cash value if the car is a total loss.

"In the Consumer Protection Committee, there was testimony in opposition to this bill by the Department of Commerce and Consumer Affairs, Hawaii Insurers Council, and various insurance companies.

"Let us not add friction to an already unfortunate experience for visitors that come to enjoy our great State and aloha. We want and need them to return home with fond memories to return to our islands again, not go home with bad stories to tell their friends and neighbors."

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

Representative Hiraki's written remarks are as follows:

"Mr. Speaker, I rise to support HB 140, HD 1, and add cautionary comments that should be noted by the House.

"Diminution in value of a vehicle that is not repaired and not declared a total loss is difficult to quantify and extremely subjective resulting in many of these cases ending up in our court systems. This measure attempts to quantify how the diminution in value of a damaged rental vehicle may be determined so that these cases may be resolved in a more timely manner and not involve the court system.

"HB 140, HD 1 describes the value of a vehicle prior to harm as the blue book value. However, this measure does not define the term "blue book", making it unclear how the value of the vehicle prior to harm will be determined.

"The value of the vehicle after harm may be determined by a court of law or at an auction at which the lessee is invited to participate. An auction may be one way to determine the value of a vehicle after harm; however, an auction may not be the best way in all circumstances.

"In summary, I support passage of legislation that would clarify how diminution in value of a vehicle is determined. While HB 140, HD 1 may not be perfect, the effective date of July 1, 2050, gives the interested parties time to continue discussions and fine-tune this measure to best serve the interests of businesses and consumers."

Representative Leong rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The Chair then announced:

"Members, you don't need to record your no vote unless you're submitting remarks."

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

"A weak with reservations vote for me."

The motion was put to vote by the Chair and carried, and H.B. No. 140, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY," passed Third Reading by a vote of 39 ayes to 10 noes, with Representatives Bukoski, Ching, Finnegan, Fox, Jernigan, Meyer, Moses, Pendleton, Stonebraker and Thielen voting no, and with Representatives Halford, and M. Oshiro being excused.

H.B. No. 504, HD 1:

Representative Saiki moved that H.B. No. 504, HD 1 pass Third Reading, seconded by Representative Lee.

Representative Finnegan rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 504, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FORCE-PLACED INSURANCE," passed Third Reading by a vote of 48 ayes to 1 no, with Representative Stonebraker voting no, and Representatives Halford, and M. Oshiro being excused.

H.B. No. 1470, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1470, HD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARING," passed Third Reading by a vote of 49 ayes, with Representatives Halford, and M. Oshiro being excused.

The Chair directed the Clerk to note that H.B. Nos.: 593, HD 1; 595, HD 1; 139, HD 1; 140, HD 1; 504, HD 1; and 1470, HD 1; passed Third Reading at 9:32 o'clock p.m.

H.B. No. 1671, HD 1:

Representative Saiki moved that H.B. No. 1671, HD 1 be recommitted to the Committee on Human Services and Housing, seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and H.B. No. 1671, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ASSISTED LIVING FACILITIES," was recommitted to the Committee on Human Services and Housing, with Representative Halford being excused.

H.B. No. 576, HD 1:

Representative Saiki moved that H.B. No. 576, HD 1 be recommitted to the Committee on Agriculture and the Committee on Water, Land Use and Hawaiian Affairs, seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and H.B. No. 576, HD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," was recommitted to the Committee on Agriculture and the Committee on Water, Land Use and Hawaiian Affairs, with Representative Halford being excused.

H.B. No. 1594, HD 1:

Representative Saiki moved that H.B. No. 1594, HD 1 pass Third Reading, seconded by Representative Lee.

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

"Madame Speaker, I'd like to register strong support for this measure and I'd like to reflect this in the Journal."

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

"Thank you, Madame Speaker. I'd like to disclose a potential conflict of interest. I am the Director of a non-profit organization," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and H.B. No. 1594, HD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1275, HD 1:

Representative Saiki moved that H.B. No. 1275, HD 1 pass Third Reading, seconded by Representative Lee.

Representative Tamayo rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Evans rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and H.B. No. 1275, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SHORELINE," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1076, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1076, HD 1, entitled: "A BILL FOR AN ACT RELATING TO APPELLATE JURISDICTION," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 433:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 433, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1594, HD 1; 1275, HD 1; 1076, HD 1; and 433; passed Third Reading at 9:35 o'clock p.m.

H.B. No. 712:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 712, entitled: "A BILL FOR AN ACT RELATING TO THE STATE EDUCATIONAL FACILITIES IMPROVEMENT SPECIAL FUND," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 772:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 772, entitled: "A BILL FOR AN ACT RELATING TO BONDS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 773:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 773, entitled: "A BILL FOR AN ACT RELATING TO BONDS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1042:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1042, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1043:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1043, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1044:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1044, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 712; 772; 773; 1042; 1043; and 1044; passed Third Reading at 9:35 o'clock p.m.

At 9:35 o'clock p.m., Representative Takamine requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:37 o'clock p.m.

At this time, the Chair announced:

"Before we begin, the Chair will allow the Members to remove their coats if you want.

"Members we will take HB No. 555, Standing Committee Report No. 698, out of order."

H.B. No. 555:

Representative Saiki moved that H.B. No. 555 be recommitted to the Committee on Finance, seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and H.B. No. 555, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," was recommitted to the Committee on Finance with Representatives Bukoski and Halford being excused.

Representative Saiki moved that with the exception of H.B. No. 555, the House bills on page 22 be adopted, seconded by Representative Lee.

At 9:38 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:38 o'clock p.m.

At this time, Representative Saiki withdrew his previous motion, and Representative Lee withdrew her second.

Representative Saiki then moved that with the exception of H.B. No. 555, the House bills listed on page 22 pass Third Reading, seconded by Representative Lee.

H.B. No. 1045:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1045, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 49 ayes, with Representative Halford being excused.

H.B. No. 1046:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1046, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 49 ayes, with Representative Halford being excused.

H.B. No. 1047:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1047, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Third Reading by a vote of 49 ayes, with Representative Halford being excused.

H.B. No. 1041:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1041, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," passed Third Reading by a vote of 49 ayes, with Representative Halford being excused.

H.B. No. 1652:

Representative Saiki moved that H.B. No. 1652 pass Third Reading, seconded by Representative Lee.

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

"The explanation for my no vote is that we don't have a waiver."

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

Representative Meyer's written remarks are as follows:

"I am standing in opposition to HB 1652. This bill is putting the 'cart before the horse'. This bill is premature. The Department of Human Services has not received the necessary approval or waiver for this Medicaid prescription drug expansion program from the federal government. Additionally, the current State budgetary constriction and economic

slowdown are both compelling reasons why now is not the time for this 1.5 million dollar appropriation to be made.

"Responsibility dictates that we should first get approval for this project before we spend the time, money and effort. I am in favor of pursuing this as an option through the appropriate channels and in the appropriate order. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 1652, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE MEDICAID PRESCRIPTION DRUG REBATE SPECIAL FUND," passed Third Reading by a vote of 44 ayes to 6 noes, with Representatives Finnegan, Fox, Leong, Marumoto, Meyer and Stonebraker voting no, and with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1045; 1046; 1047; 1041; and 1652; passed Third Reading at 9:40 o'clock p.m.

H.B. No. 1548, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1548, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PUBLIC SCHOOL IMPROVEMENTS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1154, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1154, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1223, HD 2:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1223, HD 2, 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 50 ayes, with Representative Halford being excused.

H.B. No. 626, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 626, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INDIVIDUAL DEVELOPMENT ACCOUNT CONTRIBUTION TAX CREDIT," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 640, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 640, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE LOSS MITIGATION GRANT PROGRAM," passed Third Reading by a vote of 47 ayes to 3 noes, with Representatives Ching, Marumoto and Thielen voting no, and Representative Halford being excused.

H.B. No. 1628, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1628, HD 1, entitled:

"A BILL FOR AN ACT RELATING TO EDUCATIONAL LOANS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1548, HD 1; 1154, HD 1; 1223, HD 2; 626, HD 1; 640, HD 1; and 1628, HD 1; passed Third Reading at 9:41 o'clock p.m.

At this time, the Chair announced:

"Members, we will take H.B. No. 976, HD 2, out of order."

H.B. No. 976, HD 2:

Representative Saiki moved that H.B. No. 976, HD 2, be recommitted to the Committee on Judiciary, seconded by Representative Lee.

The motion was put to vote by the Chair and carried, and H.B. No. 976, HD 2, entitled: "A BILL FOR AN ACT RELATING TO CRIME," was recommitted to the Committee on Judiciary, with Representative Halford being excused.

At 9:42 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:42 o'clock p.m.

H.B. No. 1181, HD 1:

By unanimous consent, H.B. No. 1181, HD 1 was deferred to the end of the calendar.

H.B. No. 1253, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1253, HD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1456, HD 1:

Representative Saiki moved that H.B. No. 1456, HD 1, pass Third Reading, seconded by Representative Lee.

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

Representative Meyer's written remarks are as follows:

"I stand to voice strong reservations to HB 1456. The bottle bill will make the State government apparatus even bigger at a time when we are working to reduce the size of government. This additional bureaucracy will cost close to \$26 million dollars annually. The program has a multitude of problems.

"This bottle bill is not a solution to our landfill problems. The containers specified in the bill account for less than 2% of Hawaii's solid waste by weight and even less by volume. Additionally, wherein only 7% of Hawaii's litter is beverage containers, a more comprehensive solution to Hawaii's litter problem is needed.

"This bill would place a disproportionate inconvenience on rural consumers who live greater distances from the proposed refund centers.

"This bill would undermine the recent efforts and direction of the City and County of Honolulu. The mayor has indicated that he intends to put in place a comprehensive recycling program that utilizes the automated rubbish collection system and designate the second pick up of each week for green waste and recyclable only. This seems like a much more comprehensive solution to the problems that this bottle bill feebly attempts to address.

"Mr. Speaker, the bottle bill is a 1970's solution. It is antiquated. Forced deposits and bottle return programs are inefficient, expensive and undermine curbside recycling programs. Let's look boldly into Hawaii's future for more comprehensive recycling efforts rather than embrace the old, tired solutions that this bill embodies."

The motion was put to vote by the Chair and carried, and H.B. No. 1456, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 135, HD 1:

Representative Saiki moved that H.B. No. 135, HD 1, pass Third Reading, seconded by Representative Lee.

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

Representative Lee's written remarks are as follows:

"Madam Speaker, I rise in support of HB 135, regulating international matchmaking organizations. HB 135 is a measure I introduced as part of the Women's Caucus package.

"HB 135 requires Hawaii clients of international matchmaking organizations to provide personal background information to potential matches from other countries. I believe this will provide an important protection to foreign residents who may otherwise become victims of unscrupulous users of international matchmaking organizations.

"International matchmaking organizations act as referral services for clients from the United States who wish to meet foreign citizens socially. The allure of association with American citizens sometimes leads to poor decision making on the part of foreigners who currently are generally not granted access by the international matchmaking organizations to the marital or criminal history of Americans with whom they are being put in contact. Additionally, foreign recruits of international matchmaking organizations often lack the financial resources and know-how to conduct background checks on their own.

"The Immigration and Naturalization Service estimates that between 4,000 and 6,000 Americans or permanent residents marry spouses first introduced through an international matchmaking organization. Estimates suggest that up to 2,700 such organizations operate worldwide with 500 of them operating in the U.S.

"While there are no studies quantifying the risk that foreign individuals take when meeting an American through an IMO, the INS has stated that a higher risk of domestic abuse is "plausible" given the inherent imbalance in power where the foreign spouse meets her/his American mate through an IMO. Generally, the foreigner is poorer, not as well-educated and dependent on the American for residency and citizenship rights. Further, many American men are looking for a "domestic" wife

in contrast to American women who have been "tainted" by feminism.

"HB 135 will help to protect foreign recruits of international matchmaking organizations. The bill will require that any matchmaking organization that does business in the State of Hawaii must inform the potential foreign recruit that he/she has the right to see the American client's arrest record and record of prior marriages. This statement informing the foreigner of his/her right to know the American resident's background must be given in the foreigner's native language and in extra large print.

"If the foreigner decides that he/she wants to see the American resident's past criminal and marriage history, the American resident must provide a transcript from the Hawaii Criminal Justice Data Center detailing his/her criminal record, if any, and a record of prior marriages, annulments and dissolutions whether or not they occurred in Hawaii. If the American resident fails to provide the information, the matchmaking organization is barred from providing any further services to the American resident until he/she provides the information.

"This bill is based on a Washington State measure that went into effect last September 1st. My good friend, Representative Velma Veloria was instrumental in the passage of this important measure through the Washington State Legislature. It is my hope that we can follow Washington State's lead on this cross-border issue by passing HB 135, and I hope my colleagues will support this measure."

The motion was put to vote by the Chair and carried, and H.B. No. 135, HD 1, entitled: "A BILL FOR AN ACT RELATING TO INTERNATIONAL MATCHMAKING ORGANIZATIONS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 980, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 980, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SETTLEMENTS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1253, HD 1; 1456, HD 1; 135, HD 1; and 980, HD 1; passed Third Reading at 9:44 o'clock p.m.

H.B. No. 284, HD 1:

By unanimous consent, H.B. No. 284, HD 1 was deferred to the end of the calendar.

H.B. No. 1004, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1004, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF CONVICTED DEFENDANTS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 500, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 500, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURTS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1309, HD 1:

Representative Saiki moved that H.B. No. 1309, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I would like to register strong support on this measure, Madame Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 1309, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EVIDENCE," passed Third Reading by a vote of 49 ayes to 1 no, with Representative Bukoski voting no, and Representative Halford being excused.

H.B. No. 1152, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1152, HD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 1224, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1224, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE AMENDMENT OR REPEAL OF OBSOLETE TAX LAWS," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1004, HD 1; 500, HD 1; 1309, HD 1; 1152, HD 1; and 1224, HD 1; passed Third Reading at 9:46 o'clock p.m.

H.B. No. 1077, HD 1:

By unanimous consent, H.B. No. 1077, HD 1 was deferred to the end of the calendar.

H.B. No. 1363, HD 1:

On motion by Representative Saiki, seconded by Representative Lee and carried, H.B. No. 1363, HD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR A GRANT-IN-AID TO THE CITY AND COUNTY OF HONOLULU TO CLEAN SALT LAKE WATERWAY," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

H.B. No. 91, HD 1:

Representative Saiki moved that H.B. No. 91, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. On HB 91, I'd like to register a no vote. When we heard this measure in Finance, the Deputy Director of the Department of Taxation said that if this bill passed, it would take about \$81 million in revenues away from the Tax Office. Thank you."

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

"Thank you, Madame Speaker. I am casting a no vote. One of the reasons, among several, is that it will jeopardize the receipt of over \$2 million in federal funds available to this State. Because federal law prohibits such diversion of any of the funds from license fees paid by fisherman for any other purpose than the administration of the State fish and game department. Similar concerns were expressed by the Hawaii Health Systems and by the Chairman of the Public Utilities Commission. Thank you."

Representative Ching rose in opposition to the measure and asked that the remarks of Representative Thielen be entered in 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 H.B. No. 91, HD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT SERVICES," passed Third Reading by a vote of 44 ayes to 6 noes, with Representatives Blundell, Finnegan, Jernigan, Meyer, Ontai and Thielen voting no, and Representative Halford being excused.

H.B. No. 512, HD 1:

Representative Saiki moved that H.B. No. 512, HD 1, pass Third Reading, seconded by Representative Lee.

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

"I'd like to register a no vote on HB 512 and just real briefly. This is putting the hospitals back into the State's hands and we've been there, and it didn't work very well. I'd like to give us more time with the present management. Thank you, Madame Chair."

Representative Hale rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Kanoho rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Tamayo rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tamayo's written remarks are as follows:

"It is obvious to all of us that the rural hospitals run by HHSC provide a very necessary and awesome service to these communities, and are often the only option for the residents of those communities to receive medical care.

"However, it is my understanding that the original intent in forming the HHSC was that it would work toward being fully privatized and not be a permanent State subsidized program. I think this bill will provide a platform of discussion in pushing the HHSC further towards privatization, and farther away from being another State subsidy."

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

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

"Thank you, Madame Speaker. I have serious reservations."

Representative Kawakami rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Kahikina rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Finnegan rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Finnegan's written remarks are as follows:

"Mr. Speaker, I rise in opposition to H.B. 512, H.D. 1. In previous remarks on the Second Reading of this bill, I touched on the financial and quality improvement successes of the Hawaii Health Systems Corporation. Today I would like to focus my remarks on the impact this measure would have on the morale of the HHSC's staff and employees.

"Mr. Speaker, as I mentioned in the previous debate, I had the opportunity to tour Big Island community hospitals a few weeks ago with the Chair and fellow members of the Health Committee. One of the things I remember most from those tours was the high morale of the staff at HHSC facilities. The employees at these community hospitals, while aware of the challenges they faced, had confidence in themselves, their facilities, and their managers that they would be able to meet these challenges.

"I am concerned, Mr. Speaker, that by passing this measure, this House will be sending a message to these employees that all of their accomplishments and successes are not good enough. The improved morale at the HHSC hospitals is a fragile thing, Mr. Speaker. For this Body to say that we regard this reform program as a failure, in spite of all that has been accomplished, might well crush that morale.

"Because of the inadequate referrals and inadequate notice of hearing for H.B. 512, Mr. Speaker, the employees of the HHSC did not have sufficient opportunity to make themselves heard on the impact this measure would have on them. I hope the Senate will provide more opportunity for these hard-working men and women to share all they have accomplished and what this measure would take away from them. From my own experiences in talking with them, I know the affect this bill would have on their morale, and so I urge all of my colleagues to vote this measure down."

Representative Evans rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Jernigan rose in opposition to the measure, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Jernigan's written remarks are as follows:

"To place the HHSC back in the hands of the DOH would be a giant step backwards. HHSC was created to manage the State hospitals because the DOH was unable to do the job. HHSC said in testimony that they could be self-sufficient in 5 years if they were able to bargain their own union contracts. This Body chose to ignore this plan. Instead this HB 512 would move the State hospitals back to the dark ages. The HGEA was against this plan to return the hospitals to the DOH. This bill had no support in hearing."

The motion was put to vote by the Chair and carried, and H.B. No. 512, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Third Reading by a vote of

37 ayes to 13 noes, with Representatives Blundell, Bukoski, Ching, Finnegan, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no, and Representative Halford being excused.

H.B. No. 405:

Representative Saiki moved that H.B. No. 405, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Madame Speaker. I am casting a no vote and have comments that the bill undermines the Executive's constitutional responsibility to manage State programs within the Executive branch as stated by Budget and Finance Director. And then she continues, "As worded, it does not allow the Executive to evaluate the immediate and long-term program and funding obligations, which may be explicit or implicit conditions of the federal funds." We should not pass this measure."

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

"Thank you, Madame Speaker. The Representative from Kailua has expressed my concerns. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 405, entitled: "A BILL FOR AN ACT RELATING TO UTILIZATION OF FEDERAL FUNDS," passed Third Reading by a vote of 39 ayes to 11 noes, with Representatives Bukoski, Ching, Finnegan, Jernigan, Leong, Meyer, Moses, Ontai, Pendleton, Stonebraker and Thielen voting no, and with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. Nos.: 1363, HD 1; 91, HD 1; 512, HD 1; and 405; passed Third Reading at 9:53 o'clock p.m.

At 9:53 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:02 o'clock p.m. with Speaker Say presiding.

END OF CALENDAR

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 831) recommending that H.B. No. 550, HD 1, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 550, HD 1, pass Third Reading, seconded by Representative Lee.

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

"Thank you, Mr. Speaker. I am rising to speak against this bill. Mr. Speaker the Sierra Club sent all of us a letter related to this. I am going to read one of their paragraphs.

To be clear, the Sierra Club did not oppose PHC's proposed hospital development of the Koa Ridge makai parcel before the State Land Use Commission. But PHC refused to disassociate their reclassification petition from the Castle and Cooke Homes Hawaii petition to reclassify that Koa Ridge and Wahiawa areas from agriculture to urban, for thousands of residential houses. We strongly urge you to vote against

this dangerous precedent-setting bill to exempt this development of thousands of houses from permitting and construction laws.

"In addition, there is an editorial, and I am sorry I don't have the date. I believe it is the *Star Bulletin*. But it states, "The House is poised to okay legislation that would ditch City laws for a Central Oahu health center and housing development."

"And it concludes that, I won't use a name but, "... has no business pushing the bill that would accommodate an organization ... " I think I won't go into that anymore because it is a little bit pointed.

"My concern is that we do have land use laws and in fact, the Legislature enacted most of them. The City and County did some of them, but we shouldn't just by-pass them with a bill like this that exempts this project, housing project, from land use laws. I would hope that there are enough defects in the bill. I haven't looked to see the effective date, but I would hope there are enough defects that it can't just go scooting through the Senate and then go up to the Governor for signature.

"I think it is deceptive. We don't want to go about land use planning in that way, to just create a blanket exemption for a project that gets a little bit of favoritism. Thank you."

Representative Hale rose in opposition to the measure, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Hale's written remarks are as follows:

"Mr. Speaker. This is a dangerous bill that could undermine all the work this State has done to protect its environment. The argument used that is will create jobs is not a valid reason to bypass all our county and State laws relating to planning, zoning, construction standards for subdivisions, development and improvement of land, and the construction of units thereon. These laws were put in place to protect our environment, and to ensure that our communities are safe and well planned.

"I am from the island of Hawaii, where, unfortunately, we are faced today with subdivisions built there before proper regulations were in place that have attracted thousands of new residents who bought land which was cheap. After building homes and residing there, they now realize how difficult it is to live there without proper roads, utilities and poorly planned developments. Even after proper subdivision and land use controls were put in place, we have instances where individual developments have been approved that do not meet county standards.

"This is a very bad precedent to allow. I cannot support it for these reasons."

Representative Tamayo rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Tamayo's written remarks are as follows:

"I am voting with very serious reservations on HB 550, HD 1. I have been assured by the introducer of the bill that he would attempt to specify this measure to be directed only to the Pacific Health Community Project and exclude the Koa Ridge housing development project.

"I realize this bill is a work in progress, and many would benefit from the Pacific Health Community Project. That's why I'm not voting no. However, if this bill comes back to us

from the Senate without being amended, I will have to vote no at that time."

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

"In opposition, and relaying the sense of the City Council that this is an outrageous bill."

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

"Yes, I rise in opposition to this bill. I think this is something that is in an area where we don't need to go into. We do have the laws now in place that do protect our land use. So for those reasons, I'll vote no."

Representative M. Oshiro rose to speak in support of the measure, stating:

"Thank you, Mr. Speaker. I rise in support of this bill, HB 550, HD 1. Mr. Speaker, this bill will facilitate provision of healthcare services for the citizens of Central and North Shore, Oahu, by providing desperately needed economic development opportunities for Oahu and the entire State by fast-tracking the development of the Pacific Health Center, 210 acres at Koa Ridge. The effective date of the bill is 2050.

"Mr. Speaker, more specifically, this bill would exempt the property from certain State and county approval processes, and extend the authorization to this issue special purpose revenue bonds for the project to June 30, 2008. It would also require the legislative body of the County in which the project is sited, to approve or disapprove the project, and come to a resolution within 45 days after the preliminary plans and specifications for the project are submitted to the legislative body, in this case the City and County of Honolulu. If on the 46th day, the project is not disapproved, it shall be deemed approved by the legislative body.

"Over the past few weeks Mr. Speaker, there has much been written in the newspapers and shown on television news about this measure. Accusations have been made that this bill solely serves powerful special interests and that the true interests of the public are not being served. Nothing could be further from the truth. This bill is about helping regular folks, regular people in our communities. Our families, our neighbors. From Waimanalo to Haleiwa, from Waialua to Kunia, and from Mililani to the North Shore, this bill will help to make available and keep available affordable healthcare to our communities.

"Mr. Speaker, it is demonstrated by the large number of phone calls and emails that we might all have received in the most recent days on this bill and HB 551, that the media has caused many in the public to be concerned about this project. Mr. Speaker, like the salvinia molesta or 'green monster' in Lake Wilson, this bill has again placed Wahiawa on the map. As the introducer of both these bills, I'd like to explain to my colleagues and the community at large why I believe HB 550 is critical to the town of Wahiawa, the communities of Central Oahu, the North Shore, and the entire State of Hawaii.

"In my office Mr. Speaker, for those who have an occasion to drop by, I keep a poster on my wall that states, "We cannot change unless we survive. But we will not survive unless we change". The truth was never more apparent since I agreed to serve on the Board of Directors of the Wahiawa Hospital Association in 1997. Wahiawa General Hospital is a small non-profit community hospital that provides 69 acute care beds, and 93 skilled nursing beds to patients from the area. We employ about 450 people from Wahiawa and the surrounding

areas. In this area, from Wahiawa down to the North Shore, there are no State hospitals. This is not part of the HHSC.

"Mr. Speaker, in 1999 I made the statement to my community that unless the hospital changes, they'll be forced to close its doors. If the hospital does nothing, and the current financial bleeding continues, the hospital will shut down in 3 to 5 years. The community will lose its hospital. People will lose their jobs. Businesses will lose their customers. And healthcare provisions and services will be compromised for over 140,000 people who live in this area.

"Mr. Speaker, rather than being paralyzed by the hospital's financial situation, the Wahiawa Hospital Association approved a 5 year master plan that will maintain the Wahiawa facility, while creating opportunity for expansion at Koa Ridge, a 210 acre site south of Wahiawa between Waipio Gentry and Mililani. At that time, the Board of Directors determined that there were two options available at the hospital at that time. One, to partner with other medical providers and find a niche in the marketplace. Or two, to shut down and conserve its assets."

Representative Hamakawa rose to yield his time, and the Chair "so ordered."

Representative M. Oshiro continued, stating:

"Of these options, the Board of Directors decided it had too great a responsibility to the community to shut down. That every effort should be made to keep Wahiawa General Hospital a viable self-sustaining organization for the present and the future. After months of planning and deliberation, the Board decided that the expansion would allow for partnering with other healthcare providers to develop a medical mall at a centrally located, readily accessible, state-of-the-art medical center, with diagnostic and support facilities, a physicians office building, a retirement community, a nursing home, assisted living facility, hospice, and a center for sports medicine. Having the hospital literally within minutes of Wahiawa proper is ideal, but the expansion plans are driven by economics and a need to survive.

"At present, there are several reasons why Wahiawa General Hospital is struggling. Revenues have been dependent upon reimbursements from Medicare, Medicaid, and QUEST, which as we all know are capped by federal and State government reimbursements and constraints. We are all painfully aware of the effects these have upon all our hospitals, both profit and non-profit.

"Mr. Speaker, our peer mix is like those of the Neighbor Island colleagues. Retired plantation workers, trade people, young families, retired State and county employees and many, many indigent families make up the clientele of Wahiawa General Hospital. About 60% of those who come into our doors and receive treatment at Wahiawa General Hospital are on Medicaid, Medicare or QUEST. The hospital provides \$1.5 million to \$2 million in uncompensated charitable care to the uninsured each year.

"Mr. Speaker, another factor is the hospital building itself. The building is 41 years old. It is obsolete and no longer adequate for today's more patient consumer driven medical technology and out-patient services. We did a study on renovating or rebuilding and the study came back that it was cheaper to rebuild a new hospital than to renovate this old facility.

"Finally, use of the hospital by area residents have slowly declined over the past 30 years. Mililani and Waipio have experienced tremendous growth, but the hospital's captured only a fraction of that market. Sure that 1 in 5 Mililani and

Wahiawa residents go to Wahiawa General Hospital for healthcare, expanding operations to a lower-cost, higher-use, more profitable facility at Koa Ridge will generate a new stream of income needed to stabilize Wahiawa General Hospital. This decision has been driven by economic necessity, healthcare realities, and substantiated by countless consumer surveys, healthcare reports, and product surveys. This new location will still be within acceptable emergency response times. Also the development will allow the hospital's current plant to remain open in Wahiawa town, and I promised my people, with an emphasis on urgent care, ambulatory services and extended long-term care provisions.

"Mr. Speaker as far back as 1999, I've introduced measures in this Body to facilitate these kinds of developments. In 1999, the Legislature heard HB 1620, HD 1, which would authorize the State of Hawaii to work in partnership with the private sector to develop healthcare communities throughout the State. Testifying before the Senate Committee on Health and Human Services in support of this measure, Seiji Naya, then Director of the Business Economic Development and Tourism, stated an I quote:

This bill will result in the creation of jobs and further diversify the State's economy to develop Hawaii as a Pacific Healthcare and Wellness Center.

"Mr. Naya further testified that:

I applaud the comprehensive nature of this bill in looking to combine 21st Century healthcare facilities such as a medical mall and related technologies, research and education into a community setting. This will provide enormous benefits, not only to Hawaii's residents, but also to stimulate and further development of health tourism and sports tourism. The development of communities as envisioned in this bill will assist in the attracting of much needed foreign investment into Hawaii.

Representative Luke rose to yield her time, and the Chair "so ordered."

Representative M. Oshiro continued, stating:

"Dr. Naya went on to say that this would provide good-paying jobs. That will add value to our economy other than those generated by typical tourism developments.

"HB 1620, HD 1, failed to receive the Legislature's approval. It did make it from this Chamber, this House, into Conference Committee where it finally expired. But in 1999 Mr. Speaker, this Legislature did in fact support this vision by enacting 8 special purpose revenue bonds appropriations to facilitate the development.

"Mr. Speaker, as you are well aware, the State of Hawaii has some of the most complex and comprehensive land use and environmental laws throughout the nation. But these laws are important and they recognize the importance we place on our land, we place upon our resources, and we place upon our heritage. They serve to protect and preserve our natural resources for future generations. Yet in certain specific instances, these same laws also place restrictions on the development of worthwhile projects that are intended to also serve the equally important health, welfare and economic needs of our people.

"With the financing in place for the enactment of legislation in 1999, the Wahiawa Hospital Association proceeded to obtain the various State and county approvals that were necessary to begin building at the Koa Ridge site. This process is costly and time consuming. In the four years since beginning the process

to obtain all the necessary approvals, Wahiawa Hospital Association has spent approximately \$6 million and we are no closer today to breaking ground than when we first started. Since the businesses that have issued letters of intent to us to locate at the medical mall and partner with us insist that we must have all necessary State and county permits and authorizations.

"We have not been able to utilize the special purpose revenue bonds authorized in 1999. As we enter 2003, we are seeking a re-appropriation for another 5 years. So where are we 4 years later in 2003? Let me summarize with the property is in this point where this vision is, where this development is. Five Neighborhood Boards have approved the Pacific Health Center. The State Land Use Commission approved the land use changes from agriculture to urban on June 21, 2002. The City and County of Honolulu passed a Central Oahu sustainable use plan designating the area as Wahiawa Hospital Association Medical Park on December 4, 2002. And the City Department of Planning and Permitting recommended to the Honolulu City Council that the Pacific Health Center Plan Review Use application be approved on January 10, 2003. At this time, from January 1999 to present, again we expect \$6 million.

"Time, limited resources, and ambiguity in the law have also worked against us, against the letters of interest from co-developers, financing entities, building developers, trade unions, tenants, and healthcare operators. It is very hard to keep these people interested when the process goes on and on. It should also be noted that due to ambiguities in the law the Sierra Club appealed the State Land Use Commission decision not to require an environmental impact statement at the beginning of the State Land Use hearings. Mr. Speaker, I am not faulting the Sierra Club. They have all the right under existing laws to raise and be advocates for their constituents."

Representative Kanoho rose to yield his time, and the Chair "so ordered."

The Chair addressed Representative M. Oshiro, stating:

"Representative M. Oshiro, can you please summarize your statements. You've had three extensions."

Representative M. Oshiro continued, stating:

"Yes, Mr. Speaker. But in this case Mr. Speaker, it should have been raised at the proper time, prior to the decision being rendered. As such, State Circuit Court Judge Hifo heard the appeal on January 21st and may choose to have the case re-referred, re-heard, after the environmental impact statement is filed.

"Secondly Mr. Speaker, the City Zoning Committee may decide to hold the Pacific Health Center's PRU use application after the City Council public hearing on February 26th and may await to hear from SHPDA whether a Certificate of Need, a State issued license is required before a City and County Plan Review Use Application can be approved.

"Mr. Speaker, on Wednesday last week, I testified before our City Council to support the Plan Review Use process for Koa Ridge. At the public hearing, I heard the concerns raised by several House people about HB 550. One of them raised concerns about the CON process until I reminded that Council person, the CON is a State approval license process. As we speak, I made attempts throughout the day to find out what the Zoning Committee intentions are regarding the PRU. I have not heard from them. I know they are having a hearing next week. If they don't make a decision, I am afraid they might not make their March 19th deadline.

"I'll summarize. Time is running out, Mr. Speaker. If we don't get this thing going in two years, what would this mean? There are 450 people who will lose their jobs. And \$40 million to \$60 million in healthcare businesses will disappear. Accessibility to healthcare for over one half of Oahu's population will be compromised. The reality facing us is not like other hospitals. Talk to the people at Kahuku. Talk to the folks at Hana Medical or Molokai General. Talk to the folks at Waianae Coast Comprehensive Health Center. They exist on a year-to-year basis, hand-to-mouth, by legislative appropriations.

"Let me summarize this, Mr. Speaker. My intention in this bill, HB 550 was to basically address the situation of this measure being stalled in the County Zoning process. We have a new Director of Planning and Permitting, we have a new Deputy Director of Planning and Permitting. Those people who worked with us for over 3 years are no longer there. We have a new Council, a new Council Zoning Chair, different people. And, like you know Mr. Speaker, they have to brought up to speed on this very technically challenging issue.

"Mr. Speaker, I'd like to just close and let my colleagues know here that I take personal responsibility for some of the outrage that has been coming in. But let me tell you what I would be proposing to do, if this measure can get out of this Chamber. It was never my intention, nor the developers of this project, Castle and Cooke, to be included in this bill. On Friday February 23rd, Alan Arakawa, Vice President of Castle and Cooke Homes said that he was unaware of the effect this measure would have upon Castle and Cooke's 226 acres at Koa Ridge. In his words, "It certainly wasn't our intention to piggy back on the Koa Ridge exemption."

"Likewise Mr. Speaker, the Wahiawa Hospital Association through its developer Pacific Health Community has repeatedly sought an amendment to exclude any of Castle and Cooke's lands. That is part of the public record. Testimony was submitted ..."

Representative Moses rose to yield his time, and the Chair "so ordered."

Representative M. Oshiro continued, stating:

"I have three pages, Mr. Speaker."

The Chair responded, stating:

"Make it within the next five minutes or I will cut the debate off."

Representative M. Oshiro continued, stating:

"Testimony was submitted by Pacific Health Community requesting the change to the Joint Committees on Economic Development and Health, dated February 10, 2003. And to the Committee on Finance dated February 21, 2003. There was never any attempt to fast-track the building of homes for Castle and Cooke. Mr. Speaker, Harry Saunders, David Arakawa, and Mr. Murdock do not need my help building homes. It was never my intention to help them.

"Finally Mr. Speaker. Let me clarify a couple of things to address the concerns ..."

Representative Stonebraker rose and stated:

"I was wondering if I could ask for a brief recess?"

The Chair responded, stating:

"May he continue? And if you want to leave, you can leave. Or if you have a point of information, you can rise after his completion."

Representative M. Oshiro continued, stating:

"I just want to clarify five things, Mr. Speaker. HB 550, HD 1, has a defective effective date of July 1, 2050. This will ensure that the measure cannot, and will not, go into effect without additional discussion and dialogue, as well as opportunity to further refine and correct the substantive drafting errors found in this measure.

"Mr. Speaker, upon approval of this measure, should it be approved I will be transmitting a letter to Senate President Bunda requesting that the scope of the bill be limited to tax map key 9-4-6, plot 02, and a portion of 01, and may further restrict the reference to the plan we've been using in application number 2000 PRU 1, on file with the Department of Planning and Permitting, City and County of Honolulu, filed August 2002.

"Number two. I would insist that references to dwelling units and commercial areas be eliminated from the bill to make very clear that the exception proposed in this bill will apply solely to the construction of the medical facilities of the Pacific Health Center.

"Number three. I will also insist on page 6, line 8, that the phrase "medical related residential areas and general residential and commercial areas" be changed to "medically related residential areas."

"Number four. I will insist that language be added to section 6 to read in part, "all design and construction standards shall be in accordance to rules adopted by the county in which the project is situated."

"Mr. Speaker, I thank you for your indulgence and for the Member's indulgence, but I just wanted to set the record clear. I ask for their support. Thank you."

At 10:28 o'clock p.m., Representative Stonebraker requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 10:53 o'clock p.m.

At this time, the Chair announced:

"We are on Standing Committee Report No. 831. The Chair would like to close debate but for those of you who may have a conflict, I would like you to rise and state your conflict, and the Chair will rule."

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

"Mr. Speaker, I think I am going to have a real conflict on this one. The firm of which I am a partner is the attorney for Pacific Health Systems, and my firm is doing all the land use work for this project."

The Chair ruled, stating:

"Talking to our legal counsel, you are excused from the vote."

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

"Mr. Speaker, I am an employee of Wahiawa General Hospital for 22 years," and the Chair ruled, "no conflict."

The Chair continued, stating:

"No conflict based on the premise that the legal counsel has stated that whatever services you are providing is to the benefit of the clients and patients of the hospital."

Representative Lee continued, stating:

"I will be voting with strong, strong reservations."

Representative M. Oshiro rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I am the Secretary to the Board of the Wahiawa Hospital Association, Secretary to the Board to Wahiawa General Hospital, Secretary to the Wahiawa Central Oahu Health Center Non-profit Board of Directors," and the Chair ruled, "no conflict."

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

"Mr. Speaker, I rise with strong reservations and I'd like to submit testimony to the Journal," and the Chair "so ordered."

Representative Kaho'ohalahala's written remarks are as follows:

"There is an exemption that goes far beyond the medical facility proposed for the Wahiawa Pacific Health Community Project. The exemption would allow for private landowners to develop their properties as if we were granting them the exemption. When I asked the introducer of the bill to clarify the intent and purpose of the bill, the response was to support the Pacific Health Community Project. The introducer said he would remedy the situation beyond the health project, that it would be resolved prior to the bills being heard.

"At Third Reading, the bill doesn't remove the exemptions beyond the medical center project. The introducer makes the statement that it was never the intent. I can only rely on the statements of the Representative from Wahiawa that the outstanding issues in the bill will be removed through the Senate's deliberation.

"I am attaching a letter drafted by the Representative from Wahiawa to the Senate President clarifying the outstanding issues as the bill proceeds through the senate. It is my expectation that the Senate will resolve the issues of exemption. My support of the bill will be contingent of these changes expressed."

Representative Stonebraker rose and stated:

"Point of information. Could you explain your rationale behind your ruling on the no conflict of the author of the bill?"

The Chair responded stating:

Representative Marcus Oshiro is a director of this particular organization that he represents, where he is not a beneficiary, where he is not being paid or compensated, as far as being a volunteer member as a ... Was it the Secretary of the Boards that you are on, Representative Oshiro?"

Representative M. Oshiro responded, stating:

"That is correct, Mr. Speaker."

The Chair continued, stating:

"So there is no monetary compensation being on any board."

Representative Blundell rose and stated:

"Thank you, Mr. Speaker. I am rising to propose the amendment to HB 551, HD 2, Stand Comm Report ..."

The Chair addressed Representative Blundell, stating:

"Representative Blundell, we are on Standing Committee Report 831, HB 550, HD 1. We have not taken the vote yet whereby the Chair will recognize both the Majority Floor Leader and the Minority Floor Leader."

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

"As we close debate, I am voting no and would like my comments to be inserted," and the Chair "so ordered."

Representative Stonebraker's written remarks are as follows:

"Mr. Speaker, I rise in opposition to HB 550, HD 1, as it reeks of the grease and lube of the old boy network. When individuals push forward measures that unfairly put their personal interests in positions of advantage. We all desire to assist our representative districts with funding for schools, infrastructure and CIP projects, but Mr. Speaker, this measure juts out from the political tapestry of citizen representation. While I will not argue the Speaker's ruling that the author of this bill has no conflict, though acting as the Secretary on the Board of Directors of Wahiawa Hospital, I will state that not all conflicting interests are monetary. This is said in full view of the issue at hand: a health care community project in the author's very district. I believe the SPRBs spoken of here total nearly one-half billion dollars which could potentially constitute quite an interest.

"At any rate, though I fully support the idea of a health facility in the area, this bill poses an uneven privilege, which no other organization is privy to. It would be nice to breeze through all the regulations and permitting processes. I should know, Mr. Speaker. My father is the Senior Pastor of our church, Calvary Chapel of Honolulu, and we're in the middle of a building project. On six acres the church is constructing a school campus and meeting facility. The permitting process drove my dad crazy. Where my involvement in politics didn't garner his interest in legislation, the permitting process did. It took years to get the permits. We should reform the process to make it easier for everyone. This is the operative term: everyone. The innate favoritism within this bill is the reason I cannot lend my support.

"Let's do what's right for everyone now that members have experience with our onerous laws. Let's reform the system. Thank you."

At this time, the Chair announced:

"Is there anyone else who would like to submit written comments in support, or against, or with reservations?"

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

"With very, very serious reservations, Mr. Speaker. Given the compelling floor speech by the Representative from Wahiawa, I am compelled to turn my green slip in to a rubbish residents. But I am holding him accountable for all the things

that he had promised to take care. This is a grave precedence that I fear and that is the conflict that I have."

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

"With strong reservations."

Representative Morita rose in support of the measure with reservations, and asked that her written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Morita's written remarks are as follows:

"Mr. Speaker, I rise in support of Standing Committee Report No. 831, House Bill 550, House Draft 1, but with serious reservations. I cannot and will not support the move to "fast-track" the development of the Pacific Health Community Project by exempting the project from State and county approval processes. This project does not rise a level where the exemption can be justified. A project of this magnitude and with numerous impacts, both environmentally and economically, should have a thoughtful and deliberative review.

"However, the only reason to support this bill is to allow for the extension of the authorization to issue special purpose revenue bonds. Without action, the bonds will expire on June 30, 2003. And, I understand the necessity of having a vehicle available to address this sole issue.

"We are only mid-way through the legislative Session and it is my hope that this bill will be amended to eliminate the fast-track provision so that only the special purpose revenue bond issue will be addressed. Only then can I give this bill my full support."

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

"Also with very strong reservations."

Representative B. Oshiro rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takai rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Wakai rose in support of the measure with reservations, and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Wakai's written remarks are as follows:

"I have serious reservations on this bill. The City is already fast-tracking the permits for the Pacific Health Community project. I believe this bill is premature. If representatives of Wahiawa General Hospital foresee difficulties with the permitting process, then we should resolve those problems, not circumvent procedures meant to preserve our islands. I also oppose provisions that may allow Castle and Cooke to side-step the land approval process to hasten the construction of homes on adjoining lands.

"On many fronts, this bill as written, sets a dangerous precedent. I support the medical facility being built. I believe it will provide much needed jobs and services to Central Oahu. If the bill can be amended to address the aforementioned concerns, I would fully support its passage."

Representative Sonson rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Abinsay rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

"Mr. Speaker, with reservations. Strong reservations."

Representative Nishimoto rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Takumi rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Lee rose in support of the measure with reservations, stating:

"I already said I was voting with strong reservations but I'd like to put remarks in the Journal," and the Chair "so ordered."

Representative Lee's written remarks are as follows:

"Mr. Speaker, I stand in support with very strong reservations.

"First, let me say that I truly believe I have a conflict of interest and should not be allowed to vote.

"I have been an employee of Wahiawa General Hospital for 22 years, both as a staff nurse and in later years as a manager and supervisor. I work each weekend for a total 24 hours per week. Staff at the hospital, as well as doctors who practice here, are my friends and community members.

"I live in Mililani, which is under the jurisdiction of Neighborhood Board No. 25. I served on the Board for 10 years and was Chair of the Board from 1992-1996.

"I have great respect for the land use planning process and I know it has kept our island from becoming overdeveloped in recent years. The Mililani Neighborhood Board and many community members have grave concerns about the effect of more development of our community. Members of the Board have traveled at their own expense to testify against development, which would further burden our schools and our roads.

"The Board has supported the Pacific Health Community project in the past -- but not as a "fast track" project. The Hospital Board has been remiss in not keeping the Neighborhood Board informed. The project also appears to include an area of residential development according to the tax key map.

"The Representative from Wahiawa has assured us that exclusion of any residential development will be accomplished when the bill moves to the Senate. He has also reminded us that the Hospital is the major employer in Central Oahu -- and that it is struggling to find a niche in which to survive. The effective date of 2050 makes it likely that this Bill will be thoroughly examined before it is adopted. Therefore, despite my doubts about the wisdom of this fast track measure, I will vote with very strong reservations to allow the bill to go on for further discussions. Thank you, Mr. Speaker."

The motion that H.B. No. 550, HD 1, pass Third Reading was put to vote by the Chair.

The Chair addressed the Clerk, stating:

"Madame Clerk, can you total the votes up for the Chair?"

The Clerk responded:

"Mr. Speaker, we have tallied 14 noes; 1 Representative cast a no vote, but he is not present on the floor. So we have tallied 14 noes with the Members present on the floor."

Representative Caldwell rose and stated:

"Does the Clerk have me down as excused, correct?"

Speaker Say: "Yes."

The Chair then announced:

"Said measure does to pass. We do not have the two-thirds vote. Am I correct?"

At 10:59 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:00 o'clock p.m.

At this time, the Chair announced:

"The Chair stands corrected. For the edification of the Members of this House, Madame Clerk could you please give the aye votes."

Madame Clerk: "Mr. Speaker, would it be possible to say the no votes and excused?"

Speaker Say: "You may, but I have to add it up in my head. Please proceed with the no votes once more."

Madame Clerk: "We have tallied for the no votes Representatives Hale, Evans, Blundell, Meyer, Bukoski, Jernigan, Finnegan, Leong, Ching, Thielen, Marumoto, Pendleton, Fox and Stonebraker. Representatives Caldwell and Halford are excused.

Speaker Say: "So the no votes are 14, plus 2 excused. So we have 35 to 16. Am I correct?"

Madame Clerk: "That is what we have tallied; 35 ayes, and 16 noes or excused."

The motion that was put to vote by the Chair was carried, and report of the Committee was adopted and H.B. No. 550, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEVELOPMENT OF MEDICAL FACILITIES," passed Third Reading by a vote of 35 ayes to 14 noes, with Representatives Blundell, Bukoski, Ching, Evans, Finnegan, Fox, Hale, Jernigan, Leong, Marumoto, Meyer, Pendleton, Stonebraker and Thielen voting no, and with Representatives Caldwell and Halford being excused.

The Chair directed the Clerk to note that H.B. No. 550, HD 1 passed Third Reading at 11:01 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 832) recommending

that H.B. No. 551, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 551, HD 2 pass Third Reading, seconded by Representative Lee.

At this time, Representative Blundell offered Floor Amendment No. 3, amending H.B. No. 551, HD 2, as follows:

SECTION 1. House Bill No. 551 House Draft 2 is amended by deleting its contents and replacing it with the following language to read as follows:

"SECTION 1. Section 323D-2, Hawaii Revised Statutes, is amended to read as follows:

"§323D-2 Definitions. As used in this chapter:

~~["Applicant" means any person who applies for a certificate of need under part V.~~

~~"Assisted living facility" means a combination of housing, health care services, and personalized support services designed to respond to individual needs, and to promote choice;~~

~~responsibility, independence, privacy, dignity, and individuality. In this context, "health care services" means the provision of services in an assisted living facility that assists the resident in achieving and maintaining the highest state of positive well being (i.e., psychological, social, physical, and spiritual) and functional status. This may include nursing assessment and monitoring, and the delegation of nursing tasks by registered nurses pursuant to chapter 457, care management, monitoring, records management, arranging for, and/or coordinating health and social services.~~

~~"Capital expenditure" means any purchase or transfer of money or anything of value or enforceable promise or agreement to purchase or transfer money or anything of value incurred by or in behalf of any person for construction, expansion, alteration, conversion, development, initiation, or modification as defined in this section. The term includes the:~~

- ~~(1) Cost of studies, surveys, designs, plans, working drawings, specifications, and other preliminaries necessary for construction, expansion, alteration, conversion, development, initiation, or modification;~~
- ~~(2) Fair market values of facilities and equipment obtained by donation or lease or comparable arrangements as though the items had been acquired by purchase; and~~
- ~~(3) Fair market values of facilities and equipment transferred for less than fair market value, if a transfer of the facilities or equipment at fair market value would be subject to review under section 323D-43.~~

~~"Certificate of need" means an authorization, when required pursuant to section 323D-43, to construct, expand, alter, or convert a health care facility or to initiate, expand, develop, or modify a health care service.~~

~~"Construct", "expand", "alter", "convert", "develop", "initiate", or "modify" includes the erection, building, reconstruction, modernization, improvement, purchase, acquisition, or establishment of a health care facility or health care service; the purchase or acquisition of equipment attendant to the delivery of health care service and the instruction or supervision therefor; the arrangement or commitment for financing the offering or development of a health care facility~~

or health care service; any obligation for a capital expenditure by a health care facility; and studies, surveys, designs, plans, working drawings, specifications, procedures, and other actions necessary for any such undertaking, which will:

- (1) Result in a total capital expenditure in excess of the expenditure minimum;
- (2) Substantially modify, decrease, or increase the scope or type of health service rendered; or
- (3) Increase, decrease, or change the class of usage of the bed complement of a health care facility.

"Expenditure minimum" means \$4,000,000 for capital expenditures, \$1,000,000 for new or replacement medical equipment and \$400,000 for used medical equipment.

"Extended care adult residential care home" means an adult residential care home providing twenty-four-hour living accommodation for a fee, for adults unrelated to the licensee. The primary caregiver shall be qualified to provide care to nursing facility level individuals who have been admitted to a Medicaid waiver program, or persons who pay for care from private funds and have been certified for this type of facility. There shall be two categories of extended care adult residential care homes, which shall be licensed in accordance with rules adopted by the department of health:

- (1) Type I home shall consist of five or less unrelated persons with no more than two extended care adult residential care home residents; and
- (2) Type II home shall consist of six or more unrelated persons and one or more persons may be extended care adult residential care home residents.]

"Health" includes physical and mental health.

"Health care facility" and "health care service" include any program, institution, place, building, or agency, or portion thereof, private or public, other than federal facilities or services, whether organized for profit or not, used, operated, or designed to provide medical diagnosis, treatment, nursing, rehabilitative, or preventive care to any person or persons. The terms include, but are not limited to, health care facilities and health care services commonly referred to as hospitals, extended care and rehabilitation centers, nursing homes, skilled nursing facilities, intermediate care facilities, hospices for the terminally ill that require licensure or certification by the department of health, kidney disease treatment centers including freestanding hemodialysis units, outpatient clinics, [organized ambulatory health care facilities,] emergency care facilities and centers, home health agencies, health maintenance organizations, and others providing similarly organized services regardless of nomenclature.

"Health care provider" means a health care facility, physician, dentist licensed under chapter 448, chiropractor licensed under chapter 442, optometrist licensed under chapter 459, podiatrist licensed under chapter 463E, psychologist licensed under chapter 465, occupational therapist subject to chapter 457G, and physical therapist licensed under chapter 461J.

["Organized ambulatory health care facility" means a facility not part of a hospital, which is organized and operated to provide health services to outpatients. The state agency may adopt rules to establish further criteria for differentiating between the private practice of medicine and organized ambulatory health care facilities.]

"Person" means an individual or a natural person, a trust or estate, a society, a firm, an assembly, a partnership, a corporation, a professional corporation, an association, the State, [any political subdivision of the State,] a county, a state agency or any instrumentality of the State, a county agency or any instrumentality of a county.

"Physician" means a doctor of medicine or osteopathy who is legally authorized to practice medicine and surgery by the State.

["Primary care clinic" means a clinic for outpatient services providing all preventive and routine health care services, management of chronic diseases, consultation with specialists when necessary, and coordination of care across health care settings or multiple providers or both. Primary care clinic providers include:

- (1) General or family practice physicians;
- (2) General internal medicine physicians;
- (3) Pediatricians;
- (4) Obstetricians and gynecologists;
- (5) Physician assistants; and
- (6) Advanced practice registered nurses.

"Review panel" means the panel established pursuant to section 323D-42.]

"State agency" means the state health planning and development agency established in section 323D-11.

"State health services and facilities plan" means the comprehensive plan for the economical delivery of health services in the State prepared by the statewide council.

"Statewide council" means the statewide health coordinating council established in section 323D-13.

"Subarea" means one of the geographic subareas designated by the state agency pursuant to section 323D-21.

"Subarea council" means a subarea health planning council established pursuant to section 323D-21.

["Substantially modify, decrease, or increase the scope or type of health service" refers to the establishment of a new health care facility or health care service or the addition of a clinically related (i.e., diagnostic, curative, or rehabilitative) service not previously provided or the termination of such a service which had previously been provided.]

SECTION 2. Section 323D-12, Hawaii Revised Statutes, is amended to read as follows:

"§323D-12 Health planning and development functions; state agency. (a) The state agency shall:

- (1) Have as a principal function the responsibility for promoting accessibility for all the people of the State to quality health care services at reasonable cost. The state agency shall conduct such studies and investigations as may be necessary as to the causes of health care costs including inflation. The state agency may contract for services to implement this paragraph. [The certificate of need program mandated under part V shall serve this function.] The state agency shall promote the sharing of facilities or services by health care providers whenever possible to achieve economies and shall restrict unusual or unusually costly services to individual facilities or providers where appropriate;

- (2) Serve as staff to and provide technical assistance and advice to the statewide council and the subarea councils in the preparation, review, and revision of the state health services and facilities plan; and
- (3) Conduct the health planning activities of the State in coordination with the subarea councils, implement the state health services and facilities plan, and determine the statewide health needs of the State after consulting with the statewide council~~[-and~~
- (4) ~~Administer the state certificate of need program pursuant to part V[-].~~
- (b) The state agency may:
- (1) Prepare ~~[such]~~ reports and recommendations on Hawaii's health care costs and public or private efforts to reduce or control costs and health care quality as it deems necessary. The report may include, but not be limited to, a review of health insurance plans, the availability of various kinds of health insurance and malpractice insurance to consumers, and strategies for increasing competition in the health insurance field~~[-];~~
- (2) Prepare and revise as necessary the state health services and facilities plan~~[-];~~
- ~~[(3) Prepare, review, and revise the annual implementation plan.~~
- ~~[(4)] (3) Assist the statewide council in the performance of its functions[-];~~
- ~~[(5)] (4) Determine the need for new health services proposed to be offered within the State[-];~~
- ~~[(6)] (5) Assess existing health care services and facilities to determine whether there are redundant, excessive, or inappropriate services or facilities and make public findings of any that are found to be so. The state agency shall weigh the costs of the health care services or facilities against the benefits the services or facilities provide and there shall be a negative presumption against marginal services[-];~~
- ~~[(7)] (6) Provide technical assistance to persons, public or private, in obtaining and filling out the necessary forms for the development of projects and programs[-];~~
- ~~[(8)] (7) Prepare reports, studies, and recommendations on emerging health issues, such as medical ethics, health care rationing, involuntary care, care for the indigent, and standards for research and development of biotechnology and genetic engineering[-]; and~~
- ~~[(9)] (8) Conduct such other activities as are necessary to meet the purposes of this chapter."~~

SECTION 3. Section 323D-13, Hawaii Revised Statutes, is amended to read as follows:

"§323D-13 **Statewide health coordinating council.** (a) There is established a statewide health coordinating council which shall be advisory to the state agency and the membership of which as appointed by the governor shall not exceed twenty members.

(b) The members of the statewide council shall be appointed by the governor in accordance with section 26-34, provided that a nonvoting, ex officio member who is the representative of the ~~[Veterans' Administration]~~ Department of Veterans Affairs

shall be designated by the ~~[Veterans' Administration-]~~ Department of Veterans Affairs. The membership of the statewide council shall be broadly representative of the age, sex, ethnic, income, and other groups that make up the population of the State and shall include representation from the subarea councils, business, labor, and health care providers. A majority but not more than eleven of the members shall be consumers of health care who are not also providers of health care.

(c) The statewide council shall select a chairperson from among its members. The members of the statewide council shall not be compensated but shall be reimbursed for necessary expenses incurred in the performance of their duties.

(d) The number of members necessary to constitute a quorum to do business shall consist of a majority of all members who have accepted nomination to the council, and have been confirmed and qualified as members of the council. When a quorum is in attendance, the concurrence of a majority of the members in attendance shall make any action of the council valid.

~~[(e) No member of the statewide council shall, in the exercise of any function of the statewide council described in section 323D-14(3), vote on any matter before the statewide council respecting any individual or entity with which the member has or, within the twelve months preceding the vote, had any substantial ownership, employment, medical staff, fiduciary, contractual, creditor, or consultative relationship. The statewide council shall require each of its members who has or has had such a relationship with an individual or entity involved in any matter before the statewide council to make a written disclosure of the relationship before any action is taken by the statewide council with respect to the matter in the exercise of any function described in section 323D-14 and to make the relationship public in any meeting in which the action is to be taken.]"~~

SECTION 4. Section 323D-13.5, Hawaii Revised Statutes, is amended to read as follows:

"~~[[§323D-13.5]]~~ **Disqualification from position or membership.** The chairpersons of the statewide council~~[-]~~ and the subarea health planning councils ~~[and the review panel-]~~ shall not be employed by or married to health care providers."

SECTION 5. Section 323D-14, Hawaii Revised Statutes, is amended to read as follows:

"**§323D-14 Functions; statewide health coordinating council.** The statewide health coordinating council shall:

- (1) Prepare and revise as necessary the state health services and facilities plan;
- (2) Advise the state agency on actions under section 323D-12; and
- ~~[(3) Appoint the review panel pursuant to section 323D-42; and~~
- ~~[(4)] (3) Review and comment upon the [following actions by the state agency before such actions are made final:~~
- ~~(A) The making of findings as to applications for certificate of need; and~~
- ~~(B) The making of] state agency's findings as to the appropriateness of those institutional and noninstitutional health services offered in the State[-] before the findings are made final."~~

SECTION 6. Section 323D-18, Hawaii Revised Statutes, is amended to read as follows:

"§323D-18 **Information required of providers.** Providers of health care doing business in the State shall submit such statistical and other reports of information related to health and health care as the state agency finds necessary to the performance of its functions. The information deemed necessary includes ~~[but is not limited to:~~

- (1) ~~Information regarding changes in the class of usage of the bed complement of a health care facility under section 323D-54(9);~~
- (2) ~~Implementation of services under section 323D-54;~~
- (3) ~~Projects that are wholly dedicated to meeting the State's obligations under court orders, including consent decrees, under section 323D-54(10);~~
- (4) ~~Replacement of existing equipment with an updated equivalent under section 323D-54(11);~~
- (5) ~~Primary care clinics under the expenditure thresholds under section 323D-54(12); and~~
- (6) ~~Equipment]~~ information regarding equipment and services related to that equipment, that are primarily intended for research purposes as opposed to usual and customary diagnostic and therapeutic care."

SECTION 7. Section 323D-22, Hawaii Revised Statutes, is amended to read as follows:

"§323D-22 **Subarea health planning councils];;** **functions, quorum, and number of members necessary to take valid action.** (a) Each subarea health planning council shall review, seek public input, and make recommendations relating to health planning for the geographical subarea it serves. Each subarea health planning council also shall recommend for gubernatorial appointment at least one person from its membership to be on the statewide council. In addition, the subarea health planning councils shall:

- (1) Identify and recommend to the state agency and the statewide council the data needs and special concerns of the respective subareas with respect to the preparation of the state plan[-];
- (2) Provide specific recommendations to the state agency and the statewide council regarding the highest priorities for health services and resources development[-];
- (3) Review the state health services and facilities plan as it relates to the respective subareas and make recommendations to the state agency and the statewide council[-];
- ~~[(4) Advise the state agency in the administration of the certificate of need program for their respective subareas.~~
- ~~(5)~~ (4) Advise the state agency on the cost of reimbursable expenses incurred in the performance of their functions for inclusion in the state agency budget[-];
- ~~[(6)]~~ (5) Advise the state agency in the performance of its specific functions[-]; and
- ~~[(7)]~~ (6) Perform other such functions as agreed upon by the state agency and the respective subarea health planning councils.

~~[(8) Each subarea health planning council shall recommend for gubernatorial appointment at least one person from its membership to be on the statewide council.]~~

(b) The number of members necessary to constitute a quorum to do business shall consist of a majority of all the members who have accepted nomination to the subarea health planning council[-] and have been confirmed and qualified as members of the subarea council. When a quorum is in attendance, the concurrence of a majority of the members in attendance shall make any action of the subarea council valid."

SECTION 8. Chapter 323D, part V, Hawaii Revised Statutes, is repealed.

SECTION 9. Section 323D-73, Hawaii Revised Statutes, is amended to read as follows:

"~~[[§323D-73]]~~ **Notice; procedures.** (a) Within five working days after receipt of a complete application under section 323D-72, the agency shall give public notice of the application in the affected county or counties where the hospital is located and shall notify by first-class mail any person who has requested notice of the filing of such applications. The public notice shall state that a completed application has been received, state the names of the parties to the agreement, describe the contents of the application, and state the date by which a person may submit written comments about the application to the agency.

(b) Within ninety days after receiving a complete application, the agency shall review the application in accordance with the standards set forth in this part and approve or disapprove the acquisition.

Within twenty days after receiving a complete application, the attorney general shall determine whether a review of the application in accordance with section 323D-76 is appropriate and notify the applicant if a review is warranted. If the attorney general determines that a review is unnecessary or not appropriate, then none of the other provisions of this part applicable to review by the attorney general shall apply.

~~[(c) For acquisitions which require approval from the agency under this part and a certificate of need, the applicant shall submit a single application for both purposes and the application shall be reviewed under a single unified review process by the agency. Following the single unified review process, the agency shall simultaneously issue its decision regarding the certificate of need and its decision for purposes of the sale of a hospital under this part.]"~~

SECTION 10. Section 323D-74, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) The agency, after consultation with the attorney general, ~~[shall]~~ if appropriate, shall hold a public hearing during the course of review, which hearing may be held jointly with ~~[the certificate of need review panel or]~~ the statewide health coordinating council, and in which any person may file written comments and exhibits or appear and make a statement. The agency or the attorney general may subpoena additional information or witnesses, require and administer oaths, require sworn statements, take depositions, and use related discovery procedures for purposes of the hearing and at any time prior to making a decision on the application."

SECTION 11. Section 323D-75, Hawaii Revised Statutes, is amended by amending subsections (d) and (e) to read as follows:

"(d) Any affected person may appeal a final decision by the agency to [the] a reconsideration committee [~~created under section 323D-47 under procedures substantially similar to those for appeals of health care certificate of need decisions. The reconsideration committee shall have the same powers and duties with respect to appeals under this part as exist for appeals to the reconsideration committee regarding issuance of certificates of need~~]. The state agency may provide by rules adopted in conformity with chapter 91 for a procedure by which any person may, for good cause shown, request in writing a public hearing before a reconsideration committee for purposes of reconsideration of the agency's decision. The reconsideration committee shall consist of the administrator of the state agency and the chairpersons of the statewide council, the plan development committee of the statewide council, and the appropriate subarea health planning council. The administrator of the state agency shall be the chairperson of the reconsideration committee. A request for a public hearing shall be deemed by the reconsideration committee to have shown good cause, if:

- (1) It presents significant, relevant information not previously considered by the state agency;
- (2) It demonstrates that there have been significant changes in factors or circumstances relied upon by the state agency in reaching its decision;
- (3) It demonstrates that the state agency has materially failed to follow its adopted procedures in reaching its decision;
- (4) It provides such other bases for a public hearing as the state agency determines constitutes good causes; or
- (5) The decision of the administrator differs from the recommendation of the statewide council.

To be effective, a request for such a hearing shall be received within ten working days of the state agency decision. The findings, conclusions, and decisions of the reconsideration committee shall constitute the determination of the agency. The agency, the applicant, or any affected person who has intervened in the matter before the reconsideration committee may seek judicial review of any agency determination.

(e) If both the agency and the attorney general review the application, [it] the application shall not be granted unless it is approved by both."

SECTION 12. Section 323D-81, Hawaii Revised Statutes, is amended to read as follows:

"~~§323D-81~~ **Prior acquisitions.** Any acquisition of a hospital before July 20, 1998 [~~and any acquisition in which an application for a certificate of need has been granted by the agency before July 20, 1998~~] is not subject to this part."

SECTION 13. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 14. This Act shall take effect upon its approval."

Representative Blundell moved that Floor Amendment No. 3 be adopted, seconded by Representative Marumoto.

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

"Thank you, Mr. Speaker. The current bill proposes to create a Certificate of Need exemption for the Pacific Health Center.

As written, this bill will single out one facility without the general problem of the regulatory process that is not working and is outdated and unnecessary.

"In 1974, federal law PL 93-641 created a federal health planning program intending to stop unnecessary health facility construction and acquisition of expensive major medical equipment. In 1987, the federal law was repealed by President Reagan. After the federal law was repealed and states were no longer required to maintain their Certificate of Need program, a number of states repealed their Certificate of Need laws. Some states even phased programs even before the federal repeal law was signed. Currently 14 states no longer have the Certificate of Need program. The proposed amendment will provide a long-term solution to a problem facing health facilities like Pacific Health Center. Not just at one time exemption.

"In my district, we have a community initiated acute care facility which is asking for no State monies. We have a population of 18,000 with an equal number of visitors. Our closest medical facility is 60 minutes away, which becomes outside of the envelope for safety. With one road that is often closed by the traffic crashes, and high surf, and other natural phenomenon, I just feel that if we are going to exempt one facility of Certificate of Need, we should just do a blanket repeal of this Certificate of Need."

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

"Thank you, Mr. Speaker. I speak in favor of the amendment. This amendment attempts to phase-out the Certificate of Need or CON process, which is determined by the review panel of the State of Hawaii Health Planning agency. This panel determines whether there can be hospitals and certain type of health facilities and purchase of medical improvements and technology. This Body even controls the reduction of services and the reduction of the number of beds. By not approving certain applications, it limits the establishment or expansion of health facilities and also limits access to health services. It protects existing facilities from competition.

"I support the development of new health centers such as the one in Koa Ridge and believe that they do not have to acquire a Certificate of Need to proceed. This particular development at Koa Ridge is made with private fund and the investors are at risk, not the State. This amendment provides long-term solution to the problem facing facilities like the Pacific Health Center. It is not just a one-time exemption. In speaking to a large orthopedic group in town, I learned that they have been able to obtain a Certificate of Needs to purchase an MRI. Occasionally the group experiences long waits for appointments for their patients. Why should government restrict the acquisition of an MRI? Why does government cause this restraint of trade?

"As mentioned by the previous speaker, the movant, 14 states have rescinded this program. Arizona, California, Colorado, Idaho, Indiana, Kansas, Minnesota, New Mexico, North Dakota, Pennsylvania, South Dakota, Texas, Utah and Wyoming. They have all repealed their Certificate of Need programs. And according to the Administrator of the Idaho Division of Health, the CON Certificate of Need process and I quote him, "Didn't seem to have much of an effect when it was in place, and the State has not been affected significantly by its repeal."

"This is one more example of the inability or the desire of government to control all things and all healthcare processes. All these regulations and rules and laws interfere with the forces of market competition. Keeping an outdated CON

program in place is one more barrier to increased competition. It will keep prices high. It should be repealed. Colleagues, please vote aye on this amendment."

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

"Thank you. I rise in strong support of the amendment. And please put the words of the Representative from Kalani Valley in the Journal. I also want to add that if we are really going to start dealing with healthcare costs here in Hawaii, I believe we need to get in to more competition. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of the amendment. I believe that this would be a way of solving the problem for the hospital out there in Wahiawa. When we heard the bill, HB 551, the underlying bill, it was clear that it wasn't a level playing field, if you would exempt one and not the other. There were Representatives there from St. Francis Hospital that objected and you could understand why. But I believe too that we need to have open competition and a free market. And if we pass this amendment, it would solve the problems, at least as far as the Certificate of Need for the Wahiawa project, and level the playing field for all health providers. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise to support this amendment. Also I put in a bill to abolish the whole State Health Planning Agency but it was never heard. So I think this is a good way to start the process."

"I happened to sit in one day for a meeting of the State Health Planning Agency when they were determining whether or not there could be an MRI from a private company in Hilo that was willing to spend almost a million dollars to put I this open MRI which we don't available in Hilo. And the argument was that there was one in Waimea and one in Kona."

"If you've been to my island you know that doesn't help the majority of people in Hilo. I got the impression from the hearing that the decision was already made before the applicants even came, and from that time on, not seeing any use for this Agency, I do support this amendment. I am glad that I can support this part of our Representative from Wahiawa's plan. I couldn't support the other where it actually was overriding some of our own laws that we had passed."

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

"I rise in support of the amendment. Mr. Speaker, I don't know if I dozed off and woke up in a different Legislature, but I am going to ask that the remarks of my two colleagues from the other side of the aisle from Big Island be incorporated in the Journal as my own, in support of an amendment. For the freshmen that are here, this is a brand new day. It is beautiful."

Representative Sonson rose in support of the proposed amendment and asked that the remarks of Representatives Evans and Hale be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Pendleton rose in support of the proposed amendment and requested a roll call vote at the appropriate time.

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

"Mr. Speaker, I am not certain if I have a conflict on this portion of the vote, on this amendment. I don't think that I do, but I'd like to get a ruling," and the Chair ruled "no conflict."

Representative Arakaki rose to speak in opposition to the amendment, stating:

"Mr. Speaker, I'd like to speak in opposition to this amendment. I know there have been several problems with the CON process, and with SHPDA itself. I understand that much of it has to do with the Executive Director. However, I just want to caution the Members that it may seem like an easy solution to deal with the problem with one fell swoop, but you know, we need to look at the purpose of the SHPDA and the CON process."

"Basically, when we look at healthcare, and I think I brought this up earlier when we talked about universal healthcare. You know, there is a finite amount of resources when it comes to healthcare and I think we need to be very careful because competition on the surface may be a good thing. But you know, we also have a history in terms of healthcare and those who provide that healthcare here in the State of Hawaii. People that we trust, services that we trust, institutions that we trust. What we could be doing is opening the door to this competition, yes. But competition that may not really have the best interest of our people in mind. Competition that only looks at how they can make the quick buck and leave if the need isn't there, or the profits are not there. So I think there is a purpose for a Certificate of Need. I think there is a great need for health planning."

"Granted, you know as I said earlier, the access to this care is not equal across the State. Still if we want to develop a rational way of looking at healthcare and how healthcare is going to be distributed, we need to have this process in place. I understand why in this instance, because of the time constraints, we'd want to maybe circumvent this process. But I think to get rid of SHPDA is throwing the 'baby out with the bath water.' So I want to advise the colleagues, especially since we really didn't give this measure a good hearing in the Health Committee. But if it is the will of this Body, we could do that, but I'd like to have that opportunity. At least give the other side an opportunity to say why we should keep this process in place. Thank you."

Representative Lee rose in opposition to the proposed amendment and asked that the remarks of Representative Arakaki be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Lee continued, stating:

"I'd like to say that I really feel that the CON process and SHPDA has a place in health planning. And really our problem in healthcare is not really creating more facilities. It is creating basic facilities for everybody. I think what is driving the cost of healthcare is perhaps a little bit too much choice in many ways. Thank you."

Representative Kanoho rose in opposition to the proposed amendment and asked that the remarks of Representative Arakaki be entered in the Journal as his own, and the Chair "so ordered." (By reference only.)

Representative Kanoho continued, stating:

"Additionally, the absence of the CON process could result in a tremendous underutilization of this very expensive

equipment, and work to the detriment of healthcare in terms of higher cost. Thank you."

Representative Souki rose to speak in opposition to the proposed amendment, stating:

"Yes, Mr. Speaker. I wish to speak against the amendment. I served on SHPDA many years ago. I am well aware of the good that it can do in providing an orderly manner for the construction of hospital beds. Mr. Speaker, if I could, I'd like to incorporate the speech from the Representative from Kalihi Valley as my own," and the Chair "so ordered." (By reference only.)

Representative Sonson rose to respond, stating:

"Thank you, Mr. Speaker. This is my second time to stand on this measure. As I listen to the debate on this, I am going through the process of calculating what the intention of this amendment is to be. I am focusing on what I've experienced in life, and that is that water is a lot cheaper than diamonds because it is easier to get water, and diamonds are rare so they are more expensive.

"Healthcare, if we provide more facilities, it is easier to provide facilities. Good facilities. I am not saying that we abolish the other safety net. I am just concerned that the regulations or the barriers to enter in the market are a cost to our consumers. Because it is very difficult to get into the market, there are other providers out there who are not able to enter the market to provide these services. If there are three facilities that were competing, I would expect that we would have lower prices. Isn't that how it supposed to work? If you have only one provider, that one provider has a monopoly, and that monopoly would command a greater price. Because, hey you don't want it? Leave. You want it? You pay. I believe that competition is always good.

"I am not trying to throw the baby out with the bath water. I am trying to make sure that we provide healthcare at the lowest cost. But I am not saying junk healthcare. We have other means to screen that part. Thank you."

The request for a roll call vote was put to vote by the Chair and upon a show of hands, the request was approved.

Roll call having been approved, the motion that Floor Amendment No. 3, amending H.B. No. 551, HD 2, entitled: "A BILL FOR AN ACT RELATED TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY," be adopted was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 31: Representatives Abinsay, Arakaki, Caldwell, Chang, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kanoho, Karamatsu, Kawakami, Lee, Luke, Magaoay, Mindo, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Souki, Takai, Takamine, Takumi, Wakai, and Waters.

Ayes, 18: Representatives Blundell, Bukoski, Ching, Evans, Finnegan, Fox, Hale, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Sonson, Stonebraker, Tamayo and Thielen.

Excused, 2: Representatives Halford and Kaho'ohalahala.

Main Motion:

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

"Mr. Speaker, are we now talking to the underlying bill? Yes. Now we presented the opportunity to do away with the Certificate of Need. There was not enough support here. I was frankly surprised that the introducer of this bill was not in favor. This bill calls for special treatment for the Wahiawa project and to exempt them above all others for a Certificate of Need. That is very strange indeed.

"I can't support this bill because I don't believe in having a playing field that is slanted in one direction. I mean, what works good for one, is good for all. Thank you, Mr. Speaker."

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

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

"Thank you, Mr. Speaker. I rise in support with some reservations, and my reservations are basically because in Maui, I've run into several situations where services are needed right now. There is a second dialysis unit that is trying to be built, and right now it is being blocked because of this Certificate of Need process. For those of you who understand how important dialysis is, if you can imagine driving from one end of the island to the other end, just to receive treatment. It is pretty taxing on the family and on the patient as well.

"I am disappointed that our amendment failed, but I do support this underlying bill because I am hoping that eventually, in the future, I am going to come before this Body and ask for the same exemptions for some much needed projects on Maui. Thank you, Mr. Speaker."

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

"I stand in support of this bill, and I am disappointed that the amendment didn't pass. But I think if we start exempting one, and then number two, and number three we can accomplish the same thing. Thank you."

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

"Mr. Speaker, I don't think I have a conflict on the main motion, but wanted a clarification. I am concerned about a potential conflict because our firm does legal work, although I don't see a direct conflict in this case. Thank you," and the Chair ruled, "no conflict."

Representative Finnegan rose in opposition to the measure and asked that the remarks of Representative Meyer be entered in the Journal as her own, and the Chair "so ordered." (By reference only.)

Representative Tamayo rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

Representative Blundell rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

The Chair then stated:

"That has already been recorded with the Minority Floor Leader."

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

"I already declared my possible conflict about being an employee of Wahiawa Hospital, but I have another possible conflict. That is that I wrote and defended successfully the Certificate of Need to establish the home health agency at Wahiawa," and the Chair ruled, "no conflict."

Representative Kahikina rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative M. Oshiro rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative M. Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of House Bill No. 551, House Draft 2

"This bill would exempt the Koa Ridge Project from the certificate need process.

"Much has already been discussed on the need for the Koa Ridge Project on House Bill No. 550, House Draft 2, so I will not belabor that particular point. However, I wish to explain why the Koa Ridge Project needs an exemption from the certificate of need process.

ESTABLISHMENT OF CON PROCESS

"In 1984, the Legislature gave the State Health Planning and Development Agency, or SHPDA, a principal mission of controlling increases in health care costs and designated the certificate of need program to carry it out. The program regulates investments in new medical facilities and equipment, changes in the number of hospital beds, and expansions in certain medical services.

"The assumption was that costs would be controlled by:

- Delaying implementation of new technology;
- Encouraging cost conscious renovations; and
- Preventing duplication of services and reducing excess capacity.

"The program requires SHPDA's approval for expenditures which exceed certain financial thresholds for various categories of services:

- For changes in beds or services covered by 55 categories of service as defined in the agency's rules;
- For some changes in location or ownership; and
- For physicians in private practice if they propose a health care service which exceeds the expenditure minimum or involves one of the 55 services categories.

"Health maintenance organizations, which were exempt until 1987, are now included in the scope of regulation.

PROBLEMS WITH THE CON PROCESS

"Over the years, questions have been raised as to whether SHPDA and the certificate of need process has done anything to reduce the cost of health care in Hawaii. As early as 1992, the Auditor found that there was no convincing evidence that the program has restrained health care costs in Hawaii. I believe these concerns hold true to this day. There are many

factors outside the agency's purview that continue to fuel these costs.

"The elements which contribute to increases in health care costs are numerous and complex. In addition to investments in facilities and new technology -- factors subject to regulation under the certificate of need process -- increasing costs are attributed to malpractice awards, the high cost of care, an aging population, inflation, increases in physicians' net incomes, a shortage of hospital workers, and consumers' expectations. Private insurance and Medicaid and Medicare programs have also added to increased costs.

"Over the years, the Auditor found that SHPDA does not have adequate measures of effectiveness to indicate whether the cost-savings objective of the certificate of need program is being met. Like other state agencies, SHPDA is required to develop measures to gauge how well it meets program objectives and to report these to the Department of Budget and Finance.

"The Auditor also found that the agency did not routinely monitor applications after approving them. By law, the agency must periodically review the process of approved projects and may withdraw any approval if the project does not adhere to requirements. The agency may also require periodic reports from certain certificate holders. With its current approach, the agency is unable to determine whether the program's objectives are being met. Although it has taken steps to address this problem, it was not in compliance with statutory requirements.

"The statutes also allow agency decisions on applications to be appealed. These appeals are handled by the reconsideration committee comprised of the SHPDA administrator and the chairpersons of the statewide council, the review panel, the plan development committee, and the appropriate subarea council. The SHPDA administrator chairs the reconsideration committee. Concerns have been expressed by some applicants about conflicts of interest when the administrator decides on the application and is also the person who reviews appeals of that decision.

"Finally, the costs can be astronomical. Ask the people of Kapiolani, Straub and Wlicox, who spent over one year and \$1.5 million in legal fees.

PROBLEMS WITH SHPDA MANAGEMENT

"In addition to the problems found with the certificate of need process, I have serious concerns about the management of SHPDA, in particular by its administrator.

"The administrator has a lot of discretionary powers when reviewing the relocation of beds and equipment and the upgrade of equipment. The SHPDA administrator has made contradictory statements on how she would process the application for the Pacific Health Center.

"In 2001, before the Joint Committee on Health and Economic Development, the SHPDA administrator stated that there was no need for a certificate of need exemption for the Pacific Health Center because all she saw was "a gym and a swimming pool that doesn't require a certificate of need." She informed the committee that a certificate of need would not be required for the relocation of beds nor for the upgrade of existing equipment due to change in technology, and that these approvals could be obtained administratively. These comments contradicted earlier statements she made in 1999 when she found that the Koa Ridge Project would require a full certificate of need through a statewide review.

"The administrator also publicly stated as early as March 1999 that "she would not process the Pacific Health Center

through the normal process." She made it clear at a SHPDA public meeting that instead of processing the project through the subarea council, she would skip the subarea council and the island council and put together a statewide review panel of her choice to review the Pacific Health Center Project.

"In 2001 and 2002, the SHPDA administrator informed local and mainland consultants that she had personal problems with me as a Wahiawa Hospital Association Board Member, primarily because I introduced measures to eliminate the certificate of need process and SHPDA, and with Rodney Sato, the developer of the Pacific Health Center, who also serves as the Chair of the Pacific Health Center.

"In light of this, I do not believe the Koa Ridge Project would get a fair, objective, and timely review from the SHPDA administrator for a certificate of need.

ADMINISTRATIVE BIAS

"The Hawaii Supreme Court recognized in Sussel v. City and County of Honolulu, 71 Haw 107 (1989), that a fair tribunal is a basic requirement of due process and that a biased decision-maker is constitutionally unacceptable.

"Our system of justice endeavors to prevent even the "probability of unfairness" and that "justice may not only be done, but must manifestly be seen to be done." In other words, "justice must satisfy the appearance of justice."

"The test for appearance of impropriety is found in State v. Ross, 89 Haw 371 (1998) where the Hawaii Supreme Court determined conduct is improper when the conduct would create in reasonable minds a perception that the decision-maker's ability to carry out their responsibilities with integrity, impartiality and competence is impaired.

"Based on comments made by SHPDA's administrator, it is clear that there is, at the very least, the appearance of impropriety, if not actual impropriety. Based on those comments, there is definitely more than a question that SHPDA's administrator cannot carry out the responsibilities of her role in an impartial manner with respect to the Pacific Health Center Project and the certificate of need process.

"FUTILITY OF LAW"

"Various Hawaii statutes and regulations provide that if a department or agency fails to act on an application before it within a specific period of time, that inaction results in the automatic approval of the application. For example, Section 91-13.5, Hawaii Revised Statutes, which applies to specific agency actions including conservation district use applications, provides that if the department or agency does not act on an application within a specific time period, the application will be automatically deemed approved.

"This is not the case in terms of certificates of need under Chapter 323D, HRS. Rather, Section 11-186-71 of SHPDA's administrative rules provide the opposite. Specifically, that rule provides that inaction by the agency on a certificate of need application will not result in automatic approval.

"Thus, by their inaction, the agency can virtually hold an applicant hostage with no consequence. In fact, because there is no action, there is no final decision to appeal -- a condition precedent for judicial review under the Hawaii Administrative Procedures Act, Chapter 91, HRS.

"In this case, where an agency's inaction is not only permitted, but is arguably encouraged, there must be some other mechanism to ensure that due process is preserved.

"It is precisely in these types of situations that the Courts have recognized the "futility" argument -- where an individual is not required to exhaust administrative remedies because it would be futile to do so.

"The Hawaii Supreme Court held in Poe v. Hawaii Labor Relations Board, 97 Haw 528 (2002), that whenever exhaustion of administrative remedies will be futile, it is not required.

"The exhaustion requirement contemplates an efficacious administrative remedy, and does not apply when it is plain that any effort to meet it would come to no more than an exercise in futility.

ELIMINATION OF SHPDA

"With the changing of the administration, we learned that Ms. Lingle has similar concerns about SHPDA and the certificate of need process. The Administration has introduced measures eliminating the certificate of need process. In addition, we have learned that the administration has deleted through Governor's Message No. 165 (February 5, 2003) all funding for SHPDA for fiscal years 2004 and 2005 from the executive budget.

"With these events, I have serious concerns about whether not only the Pacific Health Center, but certificates of need required for health care services for all hospitals in our State, will be able to proceed.

"Under present law, before our Pacific Health Community project may proceed, a certificate of need from SHPDA must first be obtained. If the administration does not fund SHPDA, how will any hospital obtain a certificate of need, as required by law? In my view, if SHPDA's funding is eliminated without the repeal of the certificate of need process, all hospital projects will come to a screeching halt. Legal counsel has advised me that if SHPDA is unable to process certificate of need applications as required by State law, affected parties would have no other recourse but to seek legal redress in the form of a writ of mandamus action. This again means delay, legal costs and lost opportunities, and the loss of jobs for our hospital.

"Ultimately, if we do not take steps to ensure that certain projects are allowed to continue, we will be allowing a bad situation to get worse precipitating a major threat to the health, welfare, and economic viability of communities not only in central Oahu, but throughout the State.

CONCLUSION

"As stated in my remarks on House Bill No. 550, House Draft 2, over the past four years, I have been working with many committed people to save Wahiawa General Hospital. This is its last hope. Without it, the town of Wahiawa will lose its only hospital -- which has served the health care needs of the people vigilantly since 1944 -- and its largest employer.

"For sake of furthering continued discussion on this measure, I ask that you allow this bill to continue through the process so that it can be further refined.

"For these reasons, I respectfully urge my colleagues to support this important measure. Thank you."

At 11:25 o'clock p.m., Representative Stonebraker requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:27 o'clock p.m.

Representative M. Oshiro rose to disclose a potential conflict of interest, stating:

"Mr. Speaker, I need to disclose that as a Board member of a non-profit community association, the Wahiawa Hospital Association, and Wahiawa General Hospital Association, where I serve as a uncompensated Board member, that I might have a possibility of conflict, and the Chair ruled, "no conflict."

At this time, Representative Saiki called for the previous question.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 551, HD 2, entitled: "A BILL FOR AN ACT RELATED TO THE STATE HEALTH PLANNING AND DEVELOPMENT AGENCY," passed Third Reading by a vote of 38 ayes to 11 noes, with Representatives Blundell, Ching, Evans, Finnegan, Fox, Jernigan, Leong, Meyer, Moses, Pendleton and Stonebraker voting no, and with Representatives Halford and Kahikina being excused.

The Chair directed the Clerk to note that H.B. No. 551, HD 2, passed Third Reading at 11:29 o'clock p.m.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 848) recommending that H.B. No. 297, HD 1, as amended in HD 2, pass Third Reading.

Representative Saiki moved that the report of the Committee be adopted and that H.B. No. 297, HD 2, pass Third Reading, seconded by Representative Lee.

At this time, Representative Moses offered Floor Amendment No. 4, amending H.B. No. 297, HD 2 as follows:

SECTION 1. House Bill No. 297 House Draft 2 is amended by deleting its contents and replacing it with the following language to read as follows:

SECTION 1. Section 712A-16, Hawaii Revised Statutes, is amended by amending subsection (4) to read as follows:

"(4) There is established in the department of the attorney general a revolving fund to be known as the criminal forfeiture fund, hereinafter referred to as the "fund" in which shall be deposited one-half of the proceeds of a forfeiture and any penalties paid pursuant to section 712A-10(6). All moneys in the fund shall be expended by the attorney general and are hereby appropriated for the following purposes:

- (a) The payment of any expenses necessary to seize, detain, appraise, inventory, safeguard, maintain, advertise, or sell property seized, detained, or forfeited pursuant to this chapter or of any other necessary expenses incident to the seizure, detention, or forfeiture of such property and such contract services and payments to reimburse any federal, state, or county agency for any expenditures made to perform the foregoing functions;
- (b) The payment of awards for information or assistance leading to a civil or criminal proceeding;
- (c) The payment of supplemental sums to state and county agencies for law enforcement purposes;~~and~~
- (d) The payment of expenses arising in connection with programs for training and education of law enforcement officers~~[-]; and~~

(e) The funding of drug treatment programs."

SECTION 2. There is appropriated out of the criminal forfeiture fund the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2003-2004 for funding of drug treatment programs.

The sum appropriated shall be expended by the office of the drug czar for the purposes of this part.

SECTION 3. There is appropriated out of the Hawaii tobacco settlement special fund the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2003-2004 for crystal methamphetamine prevention programs.

The sum appropriated shall be expended by the office of the drug czar for the purposes of this part.

SECTION 4. Hawaii Revised Statutes is amended by adding a new Chapter to be appropriately designated and to read as follows:

"CHAPTER DRUG CZAR

§ -1 **Office of drug czar; established.** (a) There is established in the office of the lieutenant governor the office of the drug czar. This office shall be headed by the drug czar. The drug czar shall be the lieutenant governor.

(b) The drug czar shall coordinate all state programs related to drug distribution, sales, use, enforcement, and rehabilitation and shall work with the departments to ensure that available federal funding is used to its best advantage.

(c) The office of the drug czar shall submit a report to the legislature no later than 20 days prior to the beginning of each regular legislative session beginning with the 2004 session. The report shall include:

- (1) An accounting of state and federal moneys used for drug programs;
- (2) Indications of success of the drug programs of the State;
- (3) Suggested legislation to improve or increase drug prevention and treatment options in the State."

SECTION 5. There is appropriated out of the general revenues of the state the sum of \$ _____ or so much thereof as may be necessary for fiscal year 2003-2004 for the office of the drug czar.

The sum appropriated shall be expended by the office of the drug czar for the purposes of this part.

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2003."

Representative Moses moved that Floor Amendment No. 4, amending H.B. No. 297, HD 2, be adopted, seconded by Representative Meyer.

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

"Thank you, Mr. Speaker. I wholeheartedly support the intent of HB 297, HD 2. There are three fundamental concerns

in the general observation that lead me to the purpose of an amendment. First, the idea of creating a new Drug Control Board and a new Drug Strike Force Program, both administratively attached to the Department of Public Safety, while simultaneously creating an Office of Drug Czar in the Lt. Governor's office administratively, is unnecessarily complicated and cumbersome.

"Secondly, already there is a federal drug strike force successfully operating in Hawaii. Creating another strike force is certain to make effective enforcement unnecessarily complicated and cumbersome.

"Third, since funds for drug treatment are available from asset seizures, creating a new special fund with the cigarette tax monies is an unnecessary waste of limited money that can be better used elsewhere during these tight fiscal times.

"Finally given the Lt. Governor's qualifications, passion to remedy our State's drug problem, and the seriousness of the ice problem raised in the original bill, we do not need this effort so confused, complicated, and cumbersome as to undermine its success here today."

Representative Herkes rose to speak in opposition to the proposed amendment, stating:

"Mr. Speaker, in opposition to the proposed amendment. Mr. Speaker, the amendment guts the entire intent of this bill, first by taking out the strike force. There has been arguments, "Well, let the police department do it." Well, the police departments aren't doing it.

"I can give you incident after incident after incident of the failure of them to react. For example, Mr. Speaker, we listened to Pono Javar, a 14 year-old that testified before the Committee on Judiciary, who said as tears streamed down his face, "There is a drug house. Come over to Pahala. I'll show you where it is. There is a police officer that lives right behind it. And the police say we have no evidence."

"This young 14 year old said, "Use the police officer's house as a stakeout. Do something. Do something."

"I talked to Jan, raising four kids in Kohala. Right next door is a drug house and she said to the police, she said to the prosecutors, she said to all the law enforcement people that were there, "For one year I've lived with these dogs, people coming day and night, fences. They are dealing drugs and I am trying to raise my family."

"Strike forces work. Special taskforces work, Mr. Speaker. While I was a member of the Hawaii County Police Commission, we used strike forces to clean up drug problems. Almost every police department in this State Mr. Speaker, is understaffed. So when people say to me, "Well, just hire some more police officers." That doesn't work because they are not available. But what is available is a large number of retired law enforcement, experienced officers that are ready and willing to work. We can use this taskforce to go wherever they need to go. And if police departments need help somewhere, they are available for that.

"For example, Mr. Speaker, on the Big Island between Hawaii Volcano National Park and Hawii, probably an area twice the size of Oahu, there are eight vice officers for that whole area. When we say, "Why aren't you making arrests?" They say, "Well, we can make the arrests, but we don't want to go in the court and identify ourselves and testify." That is why we need some independent agencies. That is why we need an independent strike force, because they don't care about being

identified. They'll go do the job. They'll go into court. They'll nail these guys, and then they will go on to something else.

"I've talked to the Department of Public Safety. They welcome this. As far as another drug strike force, if the previous speaker is talking about the High Intensity Drug Trafficking Area Group, that is not another strike force. That is an organization of all law enforcement officers that deal with this issue in the State of Hawaii. We are working with them. If we adopt the amendment, we will lose the strike force, team of undercover law enforcement and human services professionals that can do the job. We will lose our crystal meth treatment programs."

Representative Chang rose to yield his time, and the Chair "so ordered."

Representative Herkes continued, stating:

"We will lose our drug prevention program targeting middle and high school students aimed at preventing the use of ice. And we will lose and Adolescent Substance Abuse Treatment Center Facility on the Big Island where we have such a huge problem. Without these programs Mr. Speaker, the Drug Czar will sit in his fifth floor office and preside over an epidemic without the tools to deal with it. I urge defeat of this amendment. Thank you."

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

"Thank you, Mr. Speaker. The high intensity drug trafficking area group is in existence. It is a combined federal, State, local effort to attack the problem of crystal meth. It is very importantly operating with federal resources. This is absolutely crucial to busting crystal meth. You need the power of federal officials involved who can indict and lock up people with federal law behind them to make this work. We have talked to the people, the High Intensity Drug Trafficking Area Group, HIDTA. We've talked with the US Attorney for Hawaii. We've talked with the Lt. Governor. All of them say this proposal is absolutely unnecessary. I believe this message has been communicated to the Majority. They've been testifying before the Judiciary Committee. I am not on the Judiciary Committee, but I think the Judiciary Committee is well aware of the fact that we already have an operation it is closing in on crystal meth. It is at a time of high activity. All Members of this Body are welcome to get briefed on this if they aren't aware of it.

"This is absolutely not only coming into the area and providing something in the main body that we are eliminating through the amendment, speaking to the amendment. I am speaking to the elimination of unnecessary provisions, unnecessarily duplicated provisions, provisions that wrest power in the hands of the State, which is not the key element in breaking ice.

"It really is the federal government and the local government. The State is also in there but those are the key elements. Let's get them the resources. Continue to keep them going and not divert our effort in an unnecessary direction. Same thing goes for the Drug Czar whose encumbered with a committee of 14. We've got the right man up there in the Lt. Governor's office. Let's just let him do it. Thank you."

At this time, Representative Saiki called for the previous question.

At this time Representative Fox requested a roll call vote and by unanimous consent, the request was approved.

Representative Schatz rose and stated:

"Point of parliamentary inquiry. Maybe we can just vote with our hands?"

The Chair responded, stating:

"Representative Schatz, at this point, no."

Roll call having been approved, the motion that Floor Amendment No. 4, amending H.B. No. 297, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DRUGS," be adopted was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 33: Representatives Abinsay, Arakaki, Caldwell, Chang, Evans, Hale, Hamakawa, Herkes, Hiraki, Ito, Kaho'ohalahala, Kanoho, Karamatsu, Kawakami, Lee, Luke, Mindo, Morita, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tamayo, Wakai, and Waters.

Ayes, 14: Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker, and Thielen.

Excused, 4: Representatives Halford, Kahikina, Magaoay and Nakasone.

Main Motion:

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

"Thank you. I rise with strong reservations on this measure. There are many parts of it I do like, but there are parts that I just think we can't let go forward. And one of those is this 14 member board. I think we should not do duplicate work. The HIDTA group is there. It is something that is in place and very, very effective. And there are people besides the federal agents there. There are State people that are involved with them.

"I also do not like the possibility of raising the cigarette stamp fee, which this bill now calls for. I also have a problem with the forfeiture fund, the way the bill is written now. Where that money was going to the police and now will be used for other things, so that is why I have reservations.

"I know what a huge problem it is. This bill has a lot of provisions that would be very helpful to the Big Island people. I just want to say that we have a very large ice problem in the area that I represent, and I would like to see more prevention measures going through that would benefit the people in Ko'olauloa. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise with strong support for this and I give credit to the Representative from Ka'u for working so hard. With his background as a former police commissioner, he is certainly aware of how to go about to do this. We have a huge problem Mr. Speaker, and in my district and in the Representative from Ka'u's district, it is probably worse per capita than anywhere. And whatever is out there that is working on it now, is not solving our problems.

"As I went house-to-house in this last campaign, I ran across people that told the same story that the Representative from Ka'u did. They know there are crack houses in their neighborhood. They call the police. The police can't do it. So

we need to really put all the resources we can before this huge problem destroys the very social fabric of our communities. Thank you."

At this time Representative Saiki called for the previous question, stating:

"Since we have a 12:00 midnight deadline, I call for the question."

The Chair then announced:

"Before I call the Majority Floor Leader and the Minority Floor Leader for the votes, I will allow members to submit their written comments, for or against at this time. So if there is anyone that wants to submit their written comments, for or against, please stand and you will be recorded."

Representative Sonson rose in support of the measure with reservations and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Sonson continued, stating:

"I am standing in support with some reservations. The reservations only has to do with funding."

Representative Sonson's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on House Bill 297, HD 2, A Bill for an Act Relating to Drugs.

"This measure establishes the Drug Strike Force Program within the Department of Public Safety to combat the sale and distribution of illegal drugs, and provides funding for drug prevention, enforcement, and treatment. I strongly support the intent of this bill.

"The widespread abuse of controlled substances, and especially the alarming increase in the use of crystal methamphetamine, is a serious matter of state-wide, indeed national, consequence. In the Judiciary Committee, several members of the public came forward to paint a stark picture of families and communities being torn apart by "ice." Ice use among our youth is becoming an endemic problem.

"The task before us now, is how best to arm our law enforcement, educational, health and public safety agencies, with the tools they need to effectively combat the sale and abuse of illegal drugs. Most experts agree that prevention will be the key to winning this war. At the level of enforcement, we need a coordinated effort – the combined involvement of local communities members, the counties, the State and federal governments.

"But mostly, we need the will to win. Drug prevention, enforcement and rehabilitation need to be top priorities, or we are going to lose to this war.

"These are, as we all know, tough economic times, and the funding of new programs, no matter how deserving, is a matter of serious difficulty with so many deserving programs facing budget cuts.

"With this in mind, the drafters of HB 297, HD 2, propose establishing a special fund to support the proposed new drug programs by tapping into cigarette tax stamp fees and criminal forfeiture funds.

"Mr. Speaker, I was very concerned by testimony from the Office of the Attorney General that the problem isn't a lack of programs, but a lack of adequate funding.

"Mr. Speaker, if we are serious about drugs being a top priority, we need to act as if they are one. We need a commitment from this Body to rid the State of the scourge of crystal methamphetamine, and that means a commitment of adequate appropriations out of General Funds. Thank you."

Representative Herkes rose in support of the measure and asked that his written remarks be inserted in the Journal, and the Chair "so ordered."

Representative Herkes' written remarks are as follows:

"Mr. Speaker, I rise in support of the bill.

"Mr. Speaker, a physician at Queens Hospital told me a few days ago that he considered the economy and the crystal meth, or ice, epidemic to be Hawaii's most pressing problems.

"Mr. Speaker, this bill has four parts. It deals with funding, it deals with enforcement, it deals with rehabilitation and it deals with education. One element cannot work without all of the elements coming together. In my discussion with the Governor, she said that the Lt. Governor is taking the lead on this effort. In following the Governor's lead, this bill establishes a 'Drug Czar' and an appropriate Committee in the Lt. Governor's office with the charge that they bring all of the elements of this effort under one body.

"This is not a partisan issue, and this epidemic crosses all racial, economic and geographic areas of our State. This bill provides authority for the Department of Public Safety to hire experienced retired law enforcement officers to act as a special 'Drug Strike Force' that will focus its entire efforts on the drug epidemic. These officers, already trained in law enforcement, will assist other law enforcement efforts in the State or, where appropriate, act on their own. Moneys from forfeitures from their efforts will be used to help fund the program, provide money for rural rehab centers and education about ice. We would also urge the creation of a 'hot line' so that citizens can call in information about drug houses. We will also work with the Federal Hawaii High Intensity Drug Trafficking Area group in developing new initiatives to help control this problem.

"Why do we need this? Why not just fund more police officers? Most police departments in the State are understaffed now. The time and cost it will take to find, hire and train new officers to deal with this problem is not acceptable. We need today's remedies for today's problems. There are already a substantial number of retired police officers ready for this task.

"For those of you that think that this is just a Ka'u issue, I urge you to look around you.

"Senator Inouye, and the head of the DEA, sponsored an 'ice summit' on the Big Island. There were 350 people who came to the day-long event, and another 350 were on the waiting list.

"The Judiciary Committee heard this bill and three people from the Big Island came to testify. John Santangelo, a former Hawaii County Council member talked about how his son, a Navy veteran, got hooked on ice. According to John, his son 'walked' about \$10,000 worth of family property to fund his habit. Working as a family, they overcame this tragedy and his son is now in rehab.

"We heard from young Pono Javar, 14 years old. Through his tears he described how the ice problem in his town of Pahala has impacted him, his brother, his family, his school and his community. He invited us to come see for ourselves.

"He said he would show us an 'ice house'. Right behind this location lives a police officer. According to Pono, the police say that they have no evidence. "Use the officer's house as a stake-out," said this young man. "Do something." His mother Debby, a nurse, hold of how another son got hooked on ice. He went from an honor roll student to a 21 year-old that has the capacity of a 5 year-old.

"One day at Waiohinu Park, I talked to a Hawaiian lady with two youngsters in the car. During the conversation, I asked her about drugs. Her eyes welled up with tears and she said that the two youngsters in the back were her grandchildren. She said, "My daughter's on ice and my son's on ice." She continued, "I don't know where I went wrong. I have to take care of the children. I have lost everything, including my house, and I do not know what to do."

"Here in Honolulu, I have a friend who works for the City and County. She is a widow. She told me that her daughter and son-in-law stole all of her late husband's jewelry and every piece of jewelry that she did not have on herself to fund their habit. She had to lock the door to her room in her own house. The house finally burned down.

"Another friend here, a professional woman, confided to my wife and I, that her brother is on ice and they do not know what to do. It seems that their only alternative is to have him arrested.

"It is reported that Honolulu has the highest per capita use of ice in the country. This bill is just the first step of many that we will need to take to bring this epidemic under control, but it is a good first step.

"Mr. Speaker, one thing is certain. The status quo is not acceptable. I do not want to go back to Pahala and tell Pono and Debby Javar, and others in the community, or others in this State that we just are not equipped to deal with this problem.

"Mr. Speaker, I ask the Members to support this bill."

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

"Very briefly, Mr. Speaker. I am in support of getting rid of ice. I am just not in support of raising taxes and doing it with a new strike force when we have one."

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

Representative Lee's written remarks are as follows:

"Mr. Speaker, I rise to speak in favor of the measure.

"Crystal methamphetamine is not a new drug. In the 60s, it was commonly known as speed, and for the most part was injected intravenously or mainlined. Those who were hooked on speed were commonly referred to as "speed freaks".

"Now Hawaii leads the nation in this use of this "old" drug. The relative ease with which it can be manufactured and the easy access of the drug coupled with the method of self administration through inhalation has created a generation of ice users bent on self destruction.

"We have recently had a briefing by the HIDTA group, made up of law enforcement, both State and Federal. The work they are doing is impressive; however, it just does not seem to be enough. I feel we need to take action where the people can

really see and feel the results, and know that their government is actively engaged in attacking this pervasive problem.

"In my work, I see newborn babies born with "ice" in their systems. Young men come to the emergency in cardiac arrest because their heart rates have been accelerated to 200 or above due to ice use. Sometimes, they are resuscitated but bear life long symptoms of brain damage. Many become the proverbial "speed freaks".

"All of us must work together to rid our islands of this scourge. If this bill helps in even a small way, it will be worth it.

"I urge the members to support this bill."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 297, HD 2, entitled: "A BILL FOR AN ACT RELATING TO DRUGS," passed Third Reading by a vote of 43 ayes to 7 noes, with Representatives Blundell, Bukoski, Finnegan, Fox, Leong, Marumoto and Moses voting no, and Representative Halford being excused.

The Chair directed the Clerk to note that H.B. No. 297, HD 2 passed Third Reading at 11:46 o'clock p.m.

H.B. No. 1181, HD 1:

Representative Saiki moved that H.B. No. 1181, HD 1, pass Third Reading, seconded by Representative Lee.

At this time, Representative Jernigan offered Floor Amendment No. 5, amending H.B. No. 1181, HD 1, as follows:

SECTION 1. House Bill No. 1181 House Draft 1 is amended by amending sections 2 and 3 of the bill to read as follows:

"SECTION 2. This emergency appropriation is necessary to allow the Hawaii health systems corporation to pay its employer contributions to the employees' retirement system and public employees health fund for the employees of the corporation.

The purpose of this Act is to appropriate [~~\$7,524,000~~] \$14,000,000 in general funds for fiscal year 2002-2003 to fund employer contributions of the Hawaii health systems corporation to the employees' retirement system and the public employees health fund.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of [~~\$7,524,000~~] \$14,000,000 or so much thereof as may be necessary for fiscal year 2002-2003 to fund employer contributions of the Hawaii health systems corporation to the employees' retirement system and the public employees health fund.

The sum appropriated shall be expended by the Hawaii health systems corporation for the purposes of this Act."

Representative Jernigan moved that Floor Amendment No. 5 be adopted, seconded by Representative Finnegan.

Representative Jernigan rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, I rise in support of the proposed amendment to the House. This draft will restore the appropriation to its original level and insure the Hawaii Health Systems Corporation will be able to contribute to the Employees'

Retirement System and Health Fund. With the uncertain future of our retirees, with the uncertain future that our retirees are facing, we should be encouraging contributions to retirement funds, not cutting them.

"HHSC has accomplished much to improve the quality of healthcare in Hawaii, especially in rural areas and on Neighbor Islands. Hospitals in those areas are constrained by their unique economic environment. They cannot operate at a profit, and such hospitals will always require money from the State. Since HHSC has taken over, those hospitals have taken much less money from the State coffers. HHSC has held expense increases to less than 1% over the past four years while providing care to more patients. Such efficiency has resulted in millions of dollars in savings and national recognition for the system. HHSC has brought Kona Hospital and the entire system out of the dark ages and into the 21st Century. Not funding this organization properly would erode the gains they have made. I would urge the members of this House not to stand in the way of progress. I would like to ask them to restore funding to the appropriate level. Thank you, Mr. Speaker."

Representative Finnegan rose to speak in support of the proposed floor amendment, stating:

"Thank you, Mr. Speaker. Just very quickly. I rise in support of the amendment. Just very quickly I just want to state some information. We cannot deny that HHSC has been successful. It has saved us money over five years. It has saved the State over \$150 million through increase revenues and decrease expenditures. HHSC has needed only State support for only 5-10% of its costs, while the national average for public hospitals is support for 20% of its costs.

"It has increased the quality of healthcare. Each of the 12 HHSC facilities has passed every accreditation and certification survey or inspection, and the system has received commendations from the joint Commission on the Accreditation of Hospitals.

"Neighbor Island residents are increasingly staying in the Neighbor Islands for care rather than traveling to Oahu. A 10% increase over 5 years. A true vote of public faith in the improvement of care under the HHSC.

"Although morale is good at these hospitals, these hospitals are very fragile. By supporting this amendment we would show our appreciation to the hardworking doctors, nurses, employees in general of HHSC. I am afraid that this bill as House Draft 1, in combination with HB 512, HD 1, will discourage and break down the morale of the HHSC and its employees. I urge the support of this amendment. Thank you."

At this time, Representative Saiki called for the previous question.

The Chair then announced:

"The Chair will allow you to submit your written comments, for or against the proposed floor amendment at this time."

Representative Jernigan requested a roll call vote at the appropriate time.

Representative Takamine rose to speak in opposition to the proposed floor amendment, stating:

"Mr. Speaker, very briefly. I realize we are under some time constraints. But just to lay out the key points this is against the proposed amendment. Essentially, if the \$14 million is

provided in emergency funding, Mr. Speaker, for fiscal year '03, that is the current year. The funding level will be at 39 ..."

Representative Thielen rose to a point of order, stating:

"Mr. Speaker, I thought that the Majority Leader had called for the question, and if he did then that would cut off debate."

The Chair addressed Representative Takamine stating:

"Representative Takamine, would you submit your written comments in opposition to the floor amendment."

Representative Takamine's written remarks are as follows:

"As Legislators, it is our job to be fiscally responsible. Every Session, we are tasked with prioritizing what we will fund and what we won't - because there is never enough money to go around. In these times of dire fiscal straits, however, it becomes even more important to be keenly critical of appropriation requests.

"With House Bill 1187, HD 1, the Hawaii Health Systems Corporation asked the Legislature for \$14,000,000 in emergency appropriations. And so your Finance Committee took out its magnifying glass and got to work, carefully scrutinizing this request. What we found was that the emergency request, if fully funded, would drive HHSC's budget for this fiscal year much higher than planned for by the Executive branch over the next fiscal biennium. In other words, although \$14,000,000 was being requested, only a portion of that amount was actually necessary. We therefore reduced the appropriation in this measure accordingly.

"Some may criticize us for not funding this emergency appropriation fully. However, I once again point out that these are tough fiscal times, and it is our job to address this situation and be fiscally prudent. It's our job to do the work, as tough as it may be. And as you can see, we have found that the entire requested amount is not necessary.

"Your Committee has also taken note of the fact that over each biennium, HHSC's regular budget appropriation has increased. This is makes it additionally disconcerting that HHSC has yet again - for the fifth time in seven years - come to the Legislature for an emergency appropriation. How could we do anything but carefully examine this request?

"Mr. Speaker, it would have been easy for us to simply OK this appropriation. But we are not here to do the easy thing. The Legislature has a responsibility to this State and its people. We must make sure that our finances are handled responsibly. The last thing we want to be is a rubber stamp. And we certainly will not, under any circumstances, approve any request just because someone says they need it. We will take to task any such claim, look underneath the surface, and determine for ourselves if a request is worth funding. That is our job, Mr. Speaker, and we are doing it."

The request for a roll call vote was put to vote by the Chair and upon a show of hands, the request was approved.

Roll call having been approved, the motion that Floor Amendment No. 5, amending H.B. No. 1181, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION," be adopted was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 36: Representatives Abinsay, Arakaki, Caldwell, Chang, Evans, Hale, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho`ohalahala, Kanoho, Karamatsu, Kawakami, Lee, Luke,

Magaoy, Mindo, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tamayo, Wakai, and Waters.

Ayes, 14: Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker, and Thielen.

Excused, 1: Representative Halford.

Main Motion:

At this time, Representative Saiki called for the previous question.

The motion was put to vote by the Chair and carried, and H.B. No. 1181, HD 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE HAWAII HEALTH SYSTEMS CORPORATION," passed Third Reading by a vote of 50 ayes, with Representative Halford being excused.

The Chair directed the Clerk to note that H.B. 1181, HD 1, passed Third Reading at 11:54 o'clock p.m.

At 11:54 o'clock p.m., Representative the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:57 o'clock p.m.

H.B. No. 284, HD 1:

Representative Saiki moved that H.B. No. 284, HD 1, pass Third Reading, seconded by Representative Lee.

Representative Fox offered Floor Amendment No. 6, amending H.B. No. 284, HD 1, as follows:

SECTION 1. House Bill No. 284 House Draft 1 is amended by deleting section 3 of the bill.

SECTION 2. House Bill No. 284 House Draft is further amended by amending section 4 to read as follows:

"SECTION 4. Section 11-191, Hawaii Revised Statutes, is amended as follows:

1. By adding four new definitions to be appropriately inserted and to read:

"Corporation" means any business entity authorized to transact business within the State or subject to the laws of the State.

"Independent expenditure" means a cost incurred by a person or noncandidate committee other than a candidate or candidate's committee for a communication that is disseminated during thirty calendar days before a primary election or sixty days before a general election that expressly advocates for the election or defeat of a candidate and is made without the participation, cooperation, or coordination of a candidate or candidate's committee, or its authorized agents.

"Labor organization" means any organization of any kind, or any agency or employee representation committee, in which employees participate and which exists for the purpose, in whole or in part, of dealing with employers concerning grievances, labor disputes, wages, rates of pay, hours of employment, or conditions of work.

"Separate segregated fund" means an account set up by any corporation, labor organization, membership organization, cooperative, or corporation without capital stock for the purpose of making contributions or expenditures to influence the nomination for election, or election of any candidate."

2. By amending the definitions of "candidate's committee", "committee", "contribution", "election period", and "noncandidate committee" to read:

"Candidate's committee" means a committee as defined in this section which makes an expenditure or accepts a contribution in behalf of a candidate with the candidate's authorization. A candidate shall have only one authorized candidate's committee.

"Committee" means:

(1) Any individual, organization, association, or [~~individual~~] a separate segregated fund that accepts or makes a contribution or makes an expenditure for or against any:

- (A) Candidate;
- (B) Individual who files for nomination at a later date and becomes a candidate; or
- (C) Party;

with or without the authorization of the candidate, individual, or party. In addition, the term "committee" means any organization, association, or individual who accepts or makes a contribution or makes an expenditure for or against any question or issue appearing on the ballot at the next applicable election; or

(2) Any organization, association, or individual that raises or holds money or anything of value for a political purpose, with or without the consent or knowledge of any:

- (A) Candidate;
- (B) Individual who files for nomination at a later date and becomes a candidate; or
- (C) Party; and

subsequently contributes money or anything of value to, or makes expenditures on behalf of, the candidate, individual, or party.

Notwithstanding any of the foregoing, the term "committee" shall not include any individual making a contribution or expenditure of the individual's own funds or anything of value that the individual originally acquired for the individual's own use and not for the purpose of evading any provision of this subpart, or any organization, which raises or expends funds for the sole purpose of the production and dissemination of informational or educational advertising.

"Contribution" means:

(1) A gift, subscription, deposits of money or anything of value, or cancellation of a debt or legal obligation and includes the purchase of tickets to fundraisers for the purpose of:

- (A) Influencing the nomination for election, or election, of any person to office;

(B) Influencing the outcome of any question or issue that appears or is reasonably certain to appear on the ballot at the next applicable election described in subparagraph (A); or

(C) Use by any party or committee for the purposes set out in subparagraph (A) or (B);

(2) The payment, by any person, political party, or any other entity other than a candidate or committee, of compensation for the personal services or services of another person that are rendered to the candidate or committee without charge or at an unreasonably low charge for the purposes set out in paragraph (1)(A), (1)(B), or (1)(C);

(3) A contract, promise, or agreement to make a contribution; provided that notwithstanding this paragraph and paragraphs (1) and (2), the term "contributions" shall not include services or portions thereof voluntarily provided without reasonable compensation by individuals to or in behalf of a candidate or committee; or

(4) Notwithstanding paragraphs (1), (2), and (3), a candidate's expenditure of the candidate's own funds or the making of a loan or advance in the pursuit of the candidate's campaign shall not be a contribution for the purpose of this subpart but shall nevertheless be reportable as a campaign receipt.

"Election period" means the two-year period between general election days. [~~if a candidate is seeking nomination or election to a two year office and the four year time period between general election days if a candidate is seeking nomination or election to a four year office.~~]

"Noncandidate committee" means a committee as defined in this section and ~~includes any separate segregated fund used for a political purpose by a corporation, labor organization, membership organization, trade association, cooperative, or corporation without capital stock, but~~ does not include a candidate's committee."

SECTION 3. House Bill No. 284 House Draft 1 is further amended by deleting section 7.

SECTION 4. House Bill No. 284 House Draft 1 is further amended by renumbering the sections of the bill accordingly.

Representative Fox moved that Floor Amendment No. 6 be adopted, seconded by Representative Stonebraker.

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

"Mr. Speaker, very briefly. There are three anti-reform elements in the original bill, which the amendment will eliminate. Reform measure number one, a requirement to eliminate the ability of poll watchers to bring more people to the polls. Anti-reform element number two, a provision that expands the definition of uncounted contributions to include volunteer labor, to include provision of supplies, expanding the ability to contribute to campaigns rather than restricting it. Anti-reform element number three ..."

At 11:59 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:59 o'clock p.m.

At this time, the Chair announced:

"We are in recess for the purpose of continuing on with the Unfinished Business, which are the two measures that have the floor amendments. What I would like to share with the Members this evening is that we will recess until Thursday, 12:00 noon, March 6th."

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 12:00 o'clock noon, Thursday, March 6, 2003.

TWENTY-SEVENTH DAY

Thursday, March 6, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:07 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Pastor Don Puschin, of the Calvary Chapel in Pearl Harbor, after which the Roll was called showing all members present with the exception of Representatives Bukoski, Hiraki, and Pendleton, 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. 205) was received and announced by the Clerk and was placed on file:

Gov. Msg. No. 205, dated February 26, 2003, stating:

"For your information and review, we have submitted the attached proposed Senate Draft 1 to Senate Bill No. 355, Relating to the State Budget, to the Senate President. Proposed Senate Draft 1 lapses certain fiscal year 2002-2003 general fund appropriations and effectuates the deposit of excess non-general funds to the general fund in order to balance the general fund financial plan.

I am requesting your immediate consideration and approval of this proposed draft of Senate Bill No. 355. In accordance with Section 9, Article VII of the Constitution of the State of Hawaii, I am recommending immediate passage of Senate Bill No. 355, as amended to balance the general fund financial plan.

Your favorable consideration of this proposed draft and amended bill after it is passed by the Senate would be appreciated."

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 20 through 433) were received and announced by the Clerk:

Sen. Com. No. 20, transmitting S.B. No. 6, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR COACHES' STIPENDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 21, transmitting S.B. No. 11, entitled: "A BILL FOR AN ACT RELATING TO TEMPORARY PUBLIC SCHOOL FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 22, transmitting S.B. No. 12, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 23, transmitting S.B. No. 14, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REHIRING

RETIRED SCHOOL ADMINISTRATORS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 24, transmitting S.B. No. 16, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 25, transmitting S.B. No. 17, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 26, transmitting S.B. No. 24, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 27, transmitting S.B. No. 29, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL WASTES RECYCLING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 28, transmitting S.B. No. 38, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 29, transmitting S.B. No. 39, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PARKS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 30, transmitting S.B. No. 41, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 31, transmitting S.B. No. 42, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WATERCRAFT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 32, transmitting S.B. No. 51, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER'S LICENSES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 33, transmitting S.B. No. 58, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL REPAIR AND MAINTENANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 34, transmitting S.B. No. 60, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL ASSESSMENT LIAISONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 35, transmitting S.B. No. 69, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE TEACHER EDUCATION COORDINATING COMMITTEE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 36, transmitting S.B. No. 85, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 37, transmitting S.B. No. 91, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAYS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 38, transmitting S.B. No. 205, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 39, transmitting S.B. No. 209, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 40, transmitting S.B. No. 248, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO THE CONVENTION CENTER," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 41, transmitting S.B. No. 255, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 42, transmitting S.B. No. 295, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE TOWING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 43, transmitting S.B. No. 299, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STANDARDS OF CONDUCT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 44, transmitting S.B. No. 302, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE REGISTRATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 45, transmitting S.B. No. 319, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 46, transmitting S.B. No. 327, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE PROCUREMENT OFFICE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 47, transmitting S.B. No. 337, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE MANAGEMENT OF SCHOOL FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 48, transmitting S.B. No. 339, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 49, transmitting S.B. No. 342, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HANAHAUOLI SCHOOL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 50, transmitting S.B. No. 343, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR CHAMINADE UNIVERSITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 51, transmitting S.B. No. 345, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 52, transmitting S.B. No. 353, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 53, transmitting S.B. No. 363, entitled: "A BILL FOR AN ACT RELATING TO EXPERIMENTAL MODERNIZATION PROJECTS FOR COUNTY BOARDS OF WATER SUPPLY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 54, transmitting S.B. No. 368, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL PROPERTY DAMAGE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 55, transmitting S.B. No. 373, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 56, transmitting S.B. No. 374, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REAL ESTATE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 57, transmitting S.B. No. 378, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ACCRETED LANDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 58, transmitting S.B. No. 381, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PAYMENT OF DAMAGES FOR HAWAIIAN HOME LANDS TRUST INDIVIDUAL CLAIMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 59, transmitting S.B. No. 390, entitled: "A BILL FOR AN ACT RELATING TO EXPUNGEMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 60, transmitting S.B. No. 394, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUM PROPERTY REGIMES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 61, transmitting S.B. No. 395, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HO'ALA SCHOOL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 62, transmitting S.B. No. 396, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 63, transmitting S.B. No. 397, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR MID-PACIFIC INSTITUTE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 64, transmitting S.B. No. 402, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 65, transmitting S.B. No. 427, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT RECORDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 66, transmitting S.B. No. 460, entitled: "A BILL FOR AN ACT RELATING TO DUNE BUGGIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 67, transmitting S.B. No. 463, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO KAHO'OLAWA ISLAND RESERVE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 68, transmitting S.B. No. 473, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HALFWAY HOUSES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 69, transmitting S.B. No. 474, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE AUDITOR," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 70, transmitting S.B. No. 477, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOME LANDS COMMISSION ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 71, transmitting S.B. No. 489, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 72, transmitting S.B. No. 492, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS FOR ENERGY EFFICIENCY IN STATE FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 73, transmitting S.B. No. 505, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE EMERGENCY ENVIRONMENTAL WORKFORCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 74, transmitting S.B. No. 516, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO KANEOHE BAY PIERS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 75, transmitting S.B. No. 527, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 76, transmitting S.B. No. 534, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 77, transmitting S.B. No. 538, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 78, transmitting S.B. No. 540, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR AGRICULTURAL RESEARCH AND DEVELOPMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 79, transmitting S.B. No. 542, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ORGANIC LABELING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 80, transmitting S.B. No. 549, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE

STATE WATER CODE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 81, transmitting S.B. No. 550, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL COMMODITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 82, transmitting S.B. No. 552, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LANDOWNERS' LIABILITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 83, transmitting S.B. No. 553, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROL OR ERADICATION OF PESTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 84, transmitting S.B. No. 560, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS DEVELOPMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 85, transmitting S.B. No. 562, entitled: "A BILL FOR AN ACT RELATING TO TERMINABLE RENTAL ADJUSTMENT CLAUSE VEHICLE LEASES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 86, transmitting S.B. No. 610, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INDIVIDUAL CLAIMS RESOLUTION UNDER THE HAWAIIAN HOME LANDS TRUST," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 87, transmitting S.B. No. 611, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COURT APPOINTED COUNSEL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 88, transmitting S.B. No. 616, entitled: "A BILL FOR AN ACT RELATING TO HATE CRIMES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 89, transmitting S.B. No. 617, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL OFFENSES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 90, transmitting S.B. No. 630, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF CONVICTED DEFENDANTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 91, transmitting S.B. No. 635, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC FINES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 92, transmitting S.B. No. 643, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BIOPROSPECTING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 93, transmitting S.B. No. 658, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY CONTRACEPTIVES FOR SEX ASSAULT SURVIVORS IN EMERGENCY ROOMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 94, transmitting S.B. No. 665, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PREPAID

HEALTH CARE PLAN," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 95, transmitting S.B. No. 666, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 96, transmitting S.B. No. 676, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 97, transmitting S.B. No. 678, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 98, transmitting S.B. No. 683, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DIABETES EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 99, transmitting S.B. No. 685, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL SECURITY NUMBERS PLACED IN POLL BOOKS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 100, transmitting S.B. No. 687, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LEAVES OF ABSENCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 101, transmitting S.B. No. 689, entitled: "A BILL FOR AN ACT RELATING TO THE STATEWIDE TRAFFIC CODE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 102, transmitting S.B. No. 690, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 103, transmitting S.B. No. 713, entitled: "A BILL FOR AN ACT RELATING TO CLOSURE OF MUNICIPAL FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 104, transmitting S.B. No. 719, entitled: "A BILL FOR AN ACT RELATING TO AQUACULTURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 105, transmitting S.B. No. 747, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 106, transmitting S.B. No. 759, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYER-UNION BENEFITS TRUST PLAN," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 107, transmitting S.B. No. 761, entitled: "A BILL FOR AN ACT RELATING TO THE HEALTH BENEFITS TRUST FUND," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 108, transmitting S.B. No. 762, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 109, transmitting S.B. No. 765, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE RETIREMENT ALLOWANCE FOR PRINCIPALS AND VICE PRINCIPALS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 110, transmitting S.B. No. 768, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 111, transmitting S.B. No. 773, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 112, transmitting S.B. No. 787, entitled: "A BILL FOR AN ACT RELATING TO DISASTER LEAVE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 113, transmitting S.B. No. 789, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 114, transmitting S.B. No. 797, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 115, transmitting S.B. No. 830, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 116, transmitting S.B. No. 832, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 117, transmitting S.B. No. 840, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL IMPACT STATEMENTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 118, transmitting S.B. No. 843, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONSERVATION OF AQUATIC LIFE, WILDLIFE, AND LAND PLANTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 119, transmitting S.B. No. 848, entitled: "A BILL FOR AN ACT RELATING TO THE ISLAND OF KAHOO LAWE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 120, transmitting S.B. No. 857, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ALIEN INVASIVE SPECIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 121, transmitting S.B. No. 881, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD ABUSE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 122, transmitting S.B. No. 919, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR BIOREMEDIATION RESEARCH," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 123, transmitting S.B. No. 936, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII VICTIMS' UNEMPLOYMENT BENEFITS ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 124, transmitting S.B. No. 958, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PRACTICE OF PHARMACY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 125, transmitting S.B. No. 993, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SMOKING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 126, transmitting S.B. No. 995, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 127, transmitting S.B. No. 1002, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 2, OF THE HAWAII CONSTITUTION, TO ALLOW THE STUDENT MEMBER OF THE BOARD OF EDUCATION TO VOTE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 128, transmitting S.B. No. 1040, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 129, transmitting S.B. No. 1041, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIABILITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 130, transmitting S.B. No. 1049, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 131, transmitting S.B. No. 1051, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL TRANSPORTATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 132, transmitting S.B. No. 1058, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 133, transmitting S.B. No. 1061, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT RESIDENTIAL CARE HOMES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 134, transmitting S.B. No. 1065, entitled: "A BILL FOR AN ACT RELATING TO MANAGED COMPETITION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 135, transmitting S.B. No. 1066, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PUEA CEMETERY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 136, transmitting S.B. No. 1070, entitled: "A BILL FOR AN ACT RELATING TO EXAMINATIONS FOR THE DETERMINATION OF PERMANENT IMPAIRMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 137, transmitting S.B. No. 1072, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR ISPED CLERK TYPISTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 138, transmitting S.B. No. 1076, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NATURAL AREA RESERVES SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 139, transmitting S.B. No. 1077, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTINUING EDUCATION FOR INSURANCE LICENSEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 140, transmitting S.B. No. 1080, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PENALTIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 141, transmitting S.B. No. 1107, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHAPTER 711, HAWAII REVISED STATUTES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 142, transmitting S.B. No. 1109, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DEPENDENT ADULTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 143, transmitting S.B. No. 1130, entitled: "A BILL FOR AN ACT RELATING TO THE COURTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 144, transmitting S.B. No. 1131, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC INFRACTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 145, transmitting S.B. No. 1132, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 146, transmitting S.B. No. 1139, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 147, transmitting S.B. No. 1142, entitled: "A BILL FOR AN ACT RELATING TO VOTER REGISTRATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 148, transmitting S.B. No. 1151, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 149, transmitting S.B. No. 1155, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 150, transmitting S.B. No. 1172, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AIRLINES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 151, transmitting S.B. No. 1183, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF

SPECIAL PURPOSE REVENUE BONDS FOR ST. PATRICK SCHOOL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 152, transmitting S.B. No. 1200, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 153, transmitting S.B. No. 1201, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE FRANCHISES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 154, transmitting S.B. No. 1210, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TOURISM AUTHORITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 155, transmitting S.B. No. 1229, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 156, transmitting S.B. No. 1234, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ALCOHOLIC BEVERAGES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 157, transmitting S.B. No. 1237, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 158, transmitting S.B. No. 1242, entitled: "A BILL FOR AN ACT RELATING TO FAIR ACCESS FOR STATE GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 159, transmitting S.B. No. 1245, entitled: "A BILL FOR AN ACT RELATING TO THE EVALUATION OF TEACHERS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 160, transmitting S.B. No. 1248, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL/COMMUNITY-BASED MANAGEMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 161, transmitting S.B. No. 1258, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE AGRIBUSINESS DEVELOPMENT CORPORATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 162, transmitting S.B. No. 1266, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO DRIVERS' LICENSES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 163, transmitting S.B. No. 1270, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ANTITRUST," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 164, transmitting S.B. No. 1284, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE SMALL BUSINESS REGULATORY FLEXIBILITY ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 165, transmitting S.B. No. 1306, entitled: "A BILL FOR AN ACT RELATING TO

TELECOMMUNICATIONS RELAY SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 166, transmitting S.B. No. 1309, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 167, transmitting S.B. No. 1312, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 168, transmitting S.B. No. 1313, entitled: "A BILL FOR AN ACT RELATING TO THE EXAMINATION FOR LICENSURE AS A CERTIFIED PUBLIC ACCOUNTANT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 169, transmitting S.B. No. 1314, entitled: "A BILL FOR AN ACT RELATING TO PSYCHOLOGIST LICENSING REQUIREMENTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 170, transmitting S.B. No. 1317, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 171, transmitting S.B. No. 1318, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 172, transmitting S.B. No. 1319, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM LIMITED PARTNERSHIP ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 173, transmitting S.B. No. 1320, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL SAVINGS ACCOUNTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 174, transmitting S.B. No. 1321, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 175, transmitting S.B. No. 1323, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 176, transmitting S.B. No. 1325, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM SECURITIES ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 177, transmitting S.B. No. 1326, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 178, transmitting S.B. No. 1333, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF OFFICIALS IN THE JUDICIAL BRANCH OF STATE GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 179, transmitting S.B. No. 1360, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 180, transmitting S.B. No. 1361, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 181, transmitting S.B. No. 1364, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PSYCHIATRIC FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 182, transmitting S.B. No. 1373, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STAFFING FOR FEDERALLY FUNDED PROGRAMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 183, transmitting S.B. No. 1381, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII STATE PUBLIC LIBRARY SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 184, transmitting S.B. No. 1393, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EXECUTIVE DEPARTMENTS OF STATE GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 185, transmitting S.B. No. 1403, entitled: "A BILL FOR AN ACT RELATING TO DEPARTMENT OF TRANSPORTATION'S MARITIME-RELATED USES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 186, transmitting S.B. No. 1405, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 187, transmitting S.B. No. 1406, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 188, transmitting S.B. No. 1407, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL DRIVER LICENSING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 189, transmitting S.B. No. 1410, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CLAIMS AGAINST THE UNIVERSITY OF HAWAII AND PROVIDING APPROPRIATIONS THEREFOR," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 190, transmitting S.B. No. 1411, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII RISK MANAGEMENT SPECIAL FUND," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 191, transmitting S.B. No. 1413, entitled: "A BILL FOR AN ACT RELATING TO KIKALA-KEOKEA," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 192, transmitting S.B. No. 1415, entitled: "A BILL FOR AN ACT RELATING TO PENALTIES FOR VIOLATIONS WITHIN THE CONSERVATION DISTRICT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 193, transmitting S.B. No. 1418, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LAND LIABILITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 194, transmitting S.B. No. 1426, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING IN PUBLIC EMPLOYMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 195, transmitting S.B. No. 1427, entitled: "A BILL FOR AN ACT RELATING TO RELAY SERVICES FOR DEAF, HARD-OF-HEARING, AND SPEECH-IMPAIRED PERSONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 196, transmitting S.B. No. 1435, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 197, transmitting S.B. No. 1437, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE OFFICE OF ELECTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 198, transmitting S.B. No. 1438, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 199, transmitting S.B. No. 1439, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR SALARY INCREASES FOR PUBLIC EMPLOYEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 200, transmitting S.B. No. 1440, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 201, transmitting S.B. No. 1441, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 202, transmitting S.B. No. 1442, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 203, transmitting S.B. No. 1443, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 204, transmitting S.B. No. 1444, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 205, transmitting S.B. No. 1445, entitled: "A BILL FOR AN ACT RELATING TO STATE OFFICERS AND EMPLOYEES EXCLUDED FROM COLLECTIVE BARGAINING AND MAKING APPROPRIATIONS AND OTHER ADJUSTMENTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 206, transmitting S.B. No. 1449, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC MEETINGS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 207, transmitting S.B. No. 1461, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT

ACCOMMODATIONS TAX," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 208, transmitting S.B. No. 1465, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR UNIFORM LAWS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 209, transmitting S.B. No. 1468, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO RESIDENTIAL LEASEHOLDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 210, transmitting S.B. No. 1469, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PEER SUPPORT COUNSELING SESSIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 211, transmitting S.B. No. 1484, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL THERAPISTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 212, transmitting S.B. No. 1492, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ASSISTED LIVING FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 213, transmitting S.B. No. 1495, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE HAWAII DROUGHT PLAN," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 214, transmitting S.B. No. 1505, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 215, transmitting S.B. No. 1533, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 216, transmitting S.B. No. 1549, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCOUNTANCY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 217, transmitting S.B. No. 1553, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE BROKERS AND SOLICITORS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 218, transmitting S.B. No. 1554, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NATIVE HAWAIIAN HISTORIC SITES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 219, transmitting S.B. No. 1589, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 220, transmitting S.B. No. 1594, entitled: "A BILL FOR AN ACT RELATING TO THE COMMISSION ON WATER RESOURCE MANAGEMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 221, transmitting S.B. No. 1611, entitled: "A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 222, transmitting S.B. No. 1619, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 223, transmitting S.B. No. 1630, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 224, transmitting S.B. No. 1636, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC AGENCY MEETINGS AND RECORDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 225, transmitting S.B. No. 1700, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHARTER SCHOOLS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 226, transmitting S.B. No. 3, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS FOR NORTH HAWAII COMMUNITY HOSPITAL, INC.," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 227, transmitting S.B. No. 26, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATIVE JOURNALS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 228, transmitting S.B. No. 44, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 229, transmitting S.B. No. 62, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 230, transmitting S.B. No. 65, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRIBUSINESS INCUBATORS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 231, transmitting S.B. No. 75, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 232, transmitting S.B. No. 78, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ELDER ABUSE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 233, transmitting S.B. No. 88, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES OWNED BY MILITARY PERSONNEL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 234, transmitting S.B. No. 94, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CIVIL SERVICE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 235, transmitting S.B. No. 235, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 236, transmitting S.B. No. 254, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 237, transmitting S.B. No. 296, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ETHICS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 238, transmitting S.B. No. 312, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC EMPLOYEES HEALTH FUND," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 239, transmitting S.B. No. 317, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE FIFTIETH ANNIVERSARY COMMEMORATION OF THE KOREAN WAR COMMISSION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 240, transmitting S.B. No. 318, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 241, transmitting S.B. No. 325, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 242, transmitting S.B. No. 344, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SHELTERS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 243, transmitting S.B. No. 354, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 244, transmitting S.B. No. 358, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 245, transmitting S.B. No. 359, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO FILM INDUSTRY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 246, transmitting S.B. No. 360, entitled: "A BILL FOR AN ACT RELATING TO REUSABLE RESOURCE CENTER," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 247, transmitting S.B. No. 361, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE WEED AND SEED PROGRAM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 248, transmitting S.B. No. 376, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ART," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 249, transmitting S.B. No. 377, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 250, transmitting S.B. No. 386, entitled: "A BILL FOR AN ACT RELATING TO UTILIZATION OF

FEDERAL FUNDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 251, transmitting S.B. No. 399, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE COMSTAT PROGRAM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 252, transmitting S.B. No. 420, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FINANCES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 253, transmitting S.B. No. 425, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 254, transmitting S.B. No. 426, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 255, transmitting S.B. No. 435, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEE HEALTH BENEFITS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 256, transmitting S.B. No. 455, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE FRIENDS OF WAIPAHU CULTURAL GARDEN PARK," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 257, transmitting S.B. No. 456, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN ADVERTISING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 258, transmitting S.B. No. 457, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE WAIPAHU COMMUNITY ADULT DAY HEALTH CENTER AND YOUTH DAY CARE CENTER PILOT PROJECT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 259, transmitting S.B. No. 458, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE PROCUREMENT CODE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 260, transmitting S.B. No. 459, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 261, transmitting S.B. No. 464, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO IMPLEMENTATION OF A FIXED RAIL TRANSIT SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 262, transmitting S.B. No. 469, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT PRACTICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 263, transmitting S.B. No. 481, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 264, transmitting S.B. No. 482, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE MOTOR VEHICLE RENTAL INDUSTRY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 265, transmitting S.B. No. 498, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 266, transmitting S.B. No. 506, entitled: "A BILL FOR AN ACT RELATING TO GEOTHERMAL ROYALTIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 267, transmitting S.B. No. 528, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE TRANSFER OF COUNTY LANDS AND IMPROVEMENTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 268, transmitting S.B. No. 548, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 269, transmitting S.B. No. 574, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CAPTIVE INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 270, transmitting S.B. No. 576, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 271, transmitting S.B. No. 577, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC EMPLOYEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 272, transmitting S.B. No. 579, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR DEVELOPMENT OF A NON-EMERGENCY REPORT SYSTEM, KNOWN AS 3-1-1," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 273, transmitting S.B. No. 582, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 274, transmitting S.B. No. 585, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 275, transmitting S.B. No. 614, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 276, transmitting S.B. No. 618, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CRIME VICTIM COMPENSATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 277, transmitting S.B. No. 624, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMED CONSENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 278, transmitting S.B. No. 632, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO

TAXATION APPEALS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 279, transmitting S.B. No. 634, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR TWO COUNSELORS TO TREAT WOMEN INCARCERATED FOR DRUG-RELATED OFFENSES ON MAUI," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 280, transmitting S.B. No. 637, entitled: "A BILL FOR AN ACT RELATING TO MISSING CHILDREN," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 281, transmitting S.B. No. 638, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAIIAN HOMES COMMISSION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 282, transmitting S.B. No. 661, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 283, transmitting S.B. No. 664, S.D. 2, entitled: "A BILL FOR AN ACT AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION BONDS AND MAKING APPROPRIATIONS FOR THE DEVELOPMENT OF A VETERANS AFFAIRS LONG-TERM CARE FACILITY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 284, transmitting S.B. No. 667, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 285, transmitting S.B. No. 684, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PARKING FOR PERSONS WITH DISABILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 286, transmitting S.B. No. 686, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 287, transmitting S.B. No. 694, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE WHISTLEBLOWERS' PROTECTION ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 288, transmitting S.B. No. 695, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL COUNSELORS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 289, transmitting S.B. No. 711, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAYS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 290, transmitting S.B. No. 726, entitled: "A BILL FOR AN ACT RELATING TO THE SPECIAL ADVISORY COUNCIL FOR TECHNOLOGY DEVELOPMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 291, transmitting S.B. No. 739, entitled: "A BILL FOR AN ACT RELATING TO ANATOMICAL GIFTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 292, transmitting S.B. No. 740, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 293, transmitting S.B. No. 745, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 294, transmitting S.B. No. 748, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO NURSING EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 295, transmitting S.B. No. 764, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE WHISTLEBLOWERS' PROTECTION ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 296, transmitting S.B. No. 779, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEES' RETIREMENT SYSTEM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 297, transmitting S.B. No. 783, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE EMPLOYEE'S RETIREMENT SYSTEM FOR EMERGENCY MEDICAL TECHNICIANS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 298, transmitting S.B. No. 784, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE BOARD OF EDUCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 299, transmitting S.B. No. 792, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ADVANCED PRACTICE REGISTERED NURSES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 300, transmitting S.B. No. 799, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION TRUSTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 301, transmitting S.B. No. 802, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT RECORDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 302, transmitting S.B. No. 807, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LIQUOR LICENSE APPLICATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 303, transmitting S.B. No. 827, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LAND COURT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 304, transmitting S.B. No. 831, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL TRESPASS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 305, transmitting S.B. No. 835, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO STORED VEHICLES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 306, transmitting S.B. No. 837, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 307, transmitting S.B. No. 855, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 308, transmitting S.B. No. 859, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BRIDGE TO HOPE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 309, transmitting S.B. No. 864, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD WELFARE SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 310, transmitting S.B. No. 870, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HOMELESS SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 311, transmitting S.B. No. 877, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CORRECTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 312, transmitting S.B. No. 880, entitled: "A BILL FOR AN ACT RELATING TO THE LEGISLATURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 313, transmitting S.B. No. 883, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ADULT PROTECTIVE SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 314, transmitting S.B. No. 884, S.D. 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR MEDICAID PROGRAMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 315, transmitting S.B. No. 889, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUOR," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 316, transmitting S.B. No. 895, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SICK LEAVE FOR PUBLIC EMPLOYEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 317, transmitting S.B. No. 913, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE LOSS MITIGATION GRANT PROGRAM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 318, transmitting S.B. No. 918, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS AND ORGANIZATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 319, transmitting S.B. No. 921, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAII WORKSITE TEMPORARY RESTRAINING ORDER ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 320, transmitting S.B. No. 929, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AFTER-SCHOOL PROGRAMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 321, transmitting S.B. No. 931, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HAWAII VICTIMS LEAVE ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 322, transmitting S.B. No. 945, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN AND YOUTH," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 323, transmitting S.B. No. 946, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVER CONSENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 324, transmitting S.B. No. 956, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PRESUMPTIVE MEDICAID ELIGIBILITY FOR PREGNANT WOMEN," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 325, transmitting S.B. No. 959, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD ABUSE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 326, transmitting S.B. No. 961, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOOD BEGINNINGS ALLIANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 327, transmitting S.B. No. 963, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE POISON CENTER," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 328, transmitting S.B. No. 964, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR TREATMENT SERVICES FOR CHILD VICTIMS OF INTRAFAMILIAL SEXUAL ABUSE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 329, transmitting S.B. No. 966, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO RESOURCE MAXIMIZATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 330, transmitting S.B. No. 974, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR THE PRESCHOOL OPEN DOORS PROGRAM," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 331, transmitting S.B. No. 975, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 332, transmitting S.B. No. 996, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF PUBLIC SAFETY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 333, transmitting S.B. No. 1034, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 334, transmitting S.B. No. 1044, entitled: "A BILL FOR AN ACT RELATING TO EXECUTIVE COMMUNICATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 335, transmitting S.B. No. 1050, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO VETERANS RIGHTS AND BENEFITS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 336, transmitting S.B. No. 1055, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLE INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 337, transmitting S.B. No. 1057, entitled: "A BILL FOR AN ACT RELATING TO THE INSURANCE COMMISSIONER," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 338, transmitting S.B. No. 1068, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE FACILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 339, transmitting S.B. No. 1075, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONTESTED CASES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 340, transmitting S.B. No. 1087, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 341, transmitting S.B. No. 1088, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 342, transmitting S.B. No. 1134, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COURT COSTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 343, transmitting S.B. No. 1135, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COURT FEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 344, transmitting S.B. No. 1136, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE DRIVER'S LICENSE REVOCATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 345, transmitting S.B. No. 1138, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO INTERMEDIATE SANCTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 346, transmitting S.B. No. 1149, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS BY MAIL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 347, transmitting S.B. No. 1152, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE REPRESENTATION OF THE OFFICE OF HAWAIIAN AFFAIRS ON BOARDS, COMMISSIONS, AND ADVISORY BODIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 348, transmitting S.B. No. 1154, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 349, transmitting S.B. No. 1156, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 350, transmitting S.B. No. 1238, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 351, transmitting S.B. No. 1239, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 352, transmitting S.B. No. 1240, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 353, transmitting S.B. No. 1241, entitled: "A BILL FOR AN ACT RELATING TO CANCER EXAMINATIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 354, transmitting S.B. No. 1243, S.D. 2, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR PRIMARY HEALTH CARE FOR THE UNINSURED," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 355, transmitting S.B. No. 1249, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS TECHNOLOGY TRANSFER GRANTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 356, transmitting S.B. No. 1251, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO A STATE CHIEF INFORMATION OFFICER," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 357, transmitting S.B. No. 1253, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DATA," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 358, transmitting S.B. No. 1255, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL INSPECTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 359, transmitting S.B. No. 1257, entitled: "A BILL FOR AN ACT RELATING TO THE IRRIGATION WATER DEVELOPMENT SPECIAL FUND," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 360, transmitting S.B. No. 1260, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MICROORGANISM IMPORT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 361, transmitting S.B. No. 1261, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT CARD PAYMENTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 362, transmitting S.B. No. 1262, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 363, transmitting S.B. No. 1264, S.D. 2, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 364, transmitting S.B. No. 1274, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO MANSLAUGHTER," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 365, transmitting S.B. No. 1275, entitled: "A BILL FOR AN ACT RELATING TO ASSAULT AGAINST LAW ENFORCEMENT OFFICERS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 366, transmitting S.B. No. 1279, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TOBACCO," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 367, transmitting S.B. No. 1281, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HIGH TECHNOLOGY DEVELOPMENT CORPORATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 368, transmitting S.B. No. 1283, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 369, transmitting S.B. No. 1286, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 370, transmitting S.B. No. 1287, entitled: "A BILL FOR AN ACT RELATING TO THE ALOHA TOWER COMMUNITY DEVELOPMENT DISTRICT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 371, transmitting S.B. No. 1305, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 372, transmitting S.B. No. 1307, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO UNCLAIMED PROPERTY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 373, transmitting S.B. No. 1311, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL FUNDS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 374, transmitting S.B. No. 1315, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE FRAUD," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 375, transmitting S.B. No. 1316, entitled: "A BILL FOR AN ACT RELATING TO DENTAL INSURANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 376, transmitting S.B. No. 1322, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION OF PREMIUMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 377, transmitting S.B. No. 1324, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CONCILIATION PANELS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 378, transmitting S.B. No. 1332, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE COMPENSATION OF OFFICIALS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 379, transmitting S.B. No. 1347, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 380, transmitting S.B. No. 1351, entitled: "A BILL FOR AN ACT RELATING TO BACKGROUND CHECKS FOR ADULT SERVICES PROGRAMS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 381, transmitting S.B. No. 1352, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO HOME AND COMMUNITY-BASED SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 382, transmitting S.B. No. 1353, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR MEDICAID," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 383, transmitting S.B. No. 1354, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO HEALTH AND HUMAN SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 384, transmitting S.B. No. 1356, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO REGISTRATION OF VITAL STATISTICS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 385, transmitting S.B. No. 1357, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO VITAL STATISTICS REGISTRATION DISTRICTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 386, transmitting S.B. No. 1358, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION FOR THE DEPARTMENT OF HEALTH, HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT (HIPAA) COMPLIANCE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 387, transmitting S.B. No. 1367, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 388, transmitting S.B. No. 1374, entitled: "A BILL FOR AN ACT RELATING TO THE STATE FIRE COUNCIL," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 389, transmitting S.B. No. 1392, entitled: "A BILL FOR AN ACT RELATING TO THE GARNISHMENT OF COMMITTED PERSONS' MONEYS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 390, transmitting S.B. No. 1394, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO

THE INTERNAL REVENUE CODE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 391, transmitting S.B. No. 1395, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE AMENDMENT OR REPEAL OF OBSOLETE TAX LAWS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 392, transmitting S.B. No. 1396, entitled: "A BILL FOR AN ACT RELATING TO THE ADMINISTRATION OF TAXES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 393, transmitting S.B. No. 1397, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO SIMPLIFIED TAX ADMINISTRATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 394, transmitting S.B. No. 1399, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO A LONG-TERM CARE TAX CREDIT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 395, transmitting S.B. No. 1400, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAX ADMINISTRATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 396, transmitting S.B. No. 1401, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 397, transmitting S.B. No. 1404, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO IMPACT FEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 398, transmitting S.B. No. 1408, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO STATEWIDE TRANSPORTATION PLANNING," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 399, transmitting S.B. No. 1421, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO EARNED INCOME DEDUCTION FOR PUBLIC HOUSING RENT CALCULATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 400, transmitting S.B. No. 1423, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO A COMMISSION ON FATHERHOOD," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 401, transmitting S.B. No. 1425, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS MENTORING OF YOUTH AND YOUNG ADULTS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 402, transmitting S.B. No. 1432, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO DIVERSIFIED AGRICULTURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 403, transmitting S.B. No. 1446, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TECHNOLOGY," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 404, transmitting S.B. No. 1477, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO MUNICIPAL LEASES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 405, transmitting S.B. No. 1478, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO AIRPORT CONCESSIONAIRES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 406, transmitting S.B. No. 1479, S.D. 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION FOR VETERANS CEMETERIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 407, transmitting S.B. No. 1489, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ACCESS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 408, transmitting S.B. No. 1496, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 409, transmitting S.B. No. 1514, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO FORFEITURES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 410, transmitting S.B. No. 1517, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL PROTECTION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 411, transmitting S.B. No. 1519, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO COMMUNITY HEALTH CENTERS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 412, transmitting S.B. No. 1555, entitled: "A BILL FOR AN ACT RELATING TO A LAND EXCHANGE BETWEEN THE STATE OF HAWAII AND THE BOY SCOUTS OF AMERICA," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 413, transmitting S.B. No. 1560, entitled: "A BILL FOR AN ACT RELATING TO PROPERTY LEFT IN A DANGEROUS CONDITION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 414, transmitting S.B. No. 1580, entitled: "A BILL FOR AN ACT RELATING TO ADVOCACY FOR HUMAN SERVICES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 415, transmitting S.B. No. 1581, entitled: "A BILL FOR AN ACT RELATING TO CRUELTY TO ANIMALS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 416, transmitting S.B. No. 1582, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHIROPRACTIC," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 417, transmitting S.B. No. 1584, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD CARE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 418, transmitting S.B. No. 1593, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ENVIRONMENTAL JUSTICE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 419, transmitting S.B. No. 1599, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE DIAMOND HEAD STATE MONUMENT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 420, transmitting S.B. No. 1603, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTION OFFENSES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 421, transmitting S.B. No. 1604, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO CITIZENS RIGHT TO VOTE," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 422, transmitting S.B. No. 1605, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT COMPLIANCE WITH THE UNIFORM INFORMATION PRACTICES ACT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 423, transmitting S.B. No. 1606, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO LEGISLATIVE ETHICS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 424, transmitting S.B. No. 1621, entitled: "A BILL FOR AN ACT RELATING TO STANDARD DEDUCTION AMOUNT," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 425, transmitting S.B. No. 1626, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 426, transmitting S.B. No. 1629, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE GENERAL EXCISE TAX," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 427, transmitting S.B. No. 1635, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC OFFICERS AND EMPLOYEES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 428, transmitting S.B. No. 1638, entitled: "A BILL FOR AN ACT RELATING TO COSTS OF PROCEEDINGS IN WORKERS' COMPENSATION APPEALS," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 429, transmitting S.B. No. 1647, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO SERVICES FOR INDIVIDUALS WHO ARE BLIND OR VISUALLY IMPAIRED," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 430, transmitting S.B. No. 1657, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ADMINISTRATION OF PARKING FOR PERSONS WITH DISABILITIES," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 431, transmitting S.B. No. 1661, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING AND COMMUNITY DEVELOPMENT CORPORATION OF HAWAII," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 432, transmitting S.B. No. 1675, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," which passed Third Reading in the Senate on March 4, 2003.

Sen. Com. No. 433, transmitting S.B. No. 1676, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," which passed Third Reading in the Senate on March 4, 2003.

On motion by Representative Lee, seconded by Representative Meyer and carried, the following Senate Bills passed First Reading by title: (Representatives Hiraki and Pendleton were excused.)

Senate Bill Nos.: 3, SD1; 6, SD1; 11; 12, SD1; 14, SD1; 16, SD2; 17, SD1; 24, SD2; 26; 29, SD1; 38; 39, SD1; 41; 42, SD1; 44, SD2; 51; 58, SD1; 60; 62, SD1; 65, SD2; 69, SD1; 75, SD2; 78, SD2; 85; 88, SD1; 91, SD2; 94, SD2; 205, SD3; 209, SD3; 235, SD3; 248, SD3; 254, SD2; 255, SD2; 295, SD1; 296, SD1; 299, SD1; 302; 312, SD2; 317, SD2; 318, SD1; 319, SD2; 325; 327, SD1; 337, SD1; 339, SD1; 342; 343; 344, SD2; 345, SD1; 353, SD1; 354, SD2; 358, SD1; 359, SD2; 360; 361, SD2; 363; 368; 373, SD1; 374, SD1; 376, SD2; 377, SD1; 378, SD1; 381, SD2; 386; 390; 394; 395, SD1; 396, SD1; 397; 399, SD2; 402, SD2; 420, SD1; 425, SD2; 426, SD1; 427, SD1; 435; 455, SD1; 456; 457, SD1; 458, SD2; 459, SD1; 460; 463, SD2; 464, SD2; 469; 473, SD1; 474, SD2; 477, SD1; 481, SD1; 482, SD1; 489; 492; 498, SD2; 505; 506; 516, SD2; 527; 528, SD2; 534, SD2; 538, SD1; 540, SD1; 542, SD1; 548; 549, SD1; 550, SD1; 552, SD2; 553, SD1; 560, SD2; 562; 574, SD1; 576; 577; 579, SD1; 582; 585, SD1; 610, SD2; 611, SD1; 614, SD1; 616; 617; 618, SD2; 624, SD1; 630, SD1; 632, SD2; 634, SD2; 635, SD2; 637; 638, SD1; 643, SD2; 658, SD1; 661, SD1; 664, SD2; 665, SD1; 666, SD1; 667, SD2; 676; 678, SD1; 683, SD2; 684, SD2; 685; 686, SD2; 687, SD1; 689; 690, SD1; 694, SD1; 695, SD2; 711, SD1; 713; 719; 726; 739; 740; 745, SD2; 747, SD1; 748, SD2; 759, SD1; 761; 762, SD1; 764, SD1; 765, SD2; 768, SD1; 773; 779, SD2; 783, SD1; 784, SD1; 787; 789, SD1; 792, SD2; 797, SD2; 799, SD1; 802, SD1; 807, SD1; 827, SD1; 830, SD1; 831, SD1; 832, SD1; 835, SD2; 837, SD1; 840, SD1; 843, SD1; 848; 855, SD1; 857, SD2; 859, SD2; 864, SD1; 870, SD2; 877, SD2; 880; 881, SD1; 883, SD2; 884, SD1; 889; 895, SD1; 913; 918, SD2; 919, SD1; 921, SD2; 929, SD1; 931, SD2; 936, SD1; 945, SD1; 946; 956, SD2; 958, SD1; 959, SD1; 961, SD1; 963, SD1; 964, SD1; 966, SD2; 974, SD1; 975; 993, SD1; 995, SD2; 996, SD1; 1002; 1034, SD1; 1040, SD1; 1041, SD1; 1044; 1049, SD1; 1050, SD2; 1051; 1055, SD1; 1057; 1058, SD1; 1061, SD1; 1065; 1066; 1068, SD1; 1070; 1072, SD2; 1075, SD1; 1076, SD1; 1077, SD1; 1080, SD1; 1087, SD1; 1088, SD2; 1107, SD1; 1109, SD1; 1130; 1131; 1132, SD1; 1134, SD1; 1135, SD1; 1136, SD1; 1138, SD1; 1139, SD1; 1142; 1149; 1151; 1152, SD1; 1154; 1155, SD1; 1156; 1172, SD2; 1183; 1200, SD1; 1201, SD2; 1210; 1229, SD1; 1234, SD2; 1237, SD1; 1238, SD2; 1239, SD1; 1240, SD2; 1241; 1242; 1243, SD2; 1245; 1248, SD1; 1249, SD2; 1251, SD1; 1253, SD1; 1255, SD2; 1257; 1258, SD1; 1260, SD1; 1261; 1262, SD1; 1264, SD2; 1266, SD1; 1270, SD1; 1274, SD1; 1275; 1279; SD2; 1281, SD1; 1283; 1284, SD1; 1286, SD1; 1287; 1305, SD1; 1306; 1307, SD1; 1309, SD2; 1311, SD1; 1312, SD1; 1313; 1314; 1315; 1316; 1317, SD1; 1318, SD1; 1319, SD1; 1320, SD1; 1321; 1322, SD1; 1323; 1324, SD1; 1325; 1326, SD1; 1332, SD2; 1333, SD1; 1347, SD1; 1351; 1352, SD1; 1353; 1354, SD2; 1356, SD1; 1357, SD1; 1358, SD1; 1360, SD1; 1361, SD2; 1364, SD1; 1367, SD2; 1373, SD1; 1374; 1381, SD1; 1392; 1393, SD2; 1394, SD2; 1395, SD1; 1396; 1397, SD1; 1399, SD2; 1400, SD1; 1401; 1403; 1404, SD1; 1405; 1406; 1407; 1408, SD1; 1410, SD1; 1411, SD1; 1413; 1415; 1418, SD2; 1421, SD1; 1423, SD2; 1425,

SD2; 1426, SD1; 1427; 1432, SD2; 1435; 1437; 1438; 1439; 1440; 1441; 1442; 1443; 1444; 1445; 1446, SD2; 1449, SD1; 1461; 1465, SD1; 1468, SD1; 1469, SD1; 1477, SD2; 1478, SD2; 1479, SD1; 1484; 1489, SD2; 1492, SD1; 1495, SD1; 1496; 1505, SD1; 1514, SD1; 1517, SD2; 1519, SD1; 1533, SD2; 1549, SD1; 1553, SD1; 1554, SD1; 1555; 1560; 1580; 1581; 1582 SD1; 1584 SD1; 1589, SD1; 1593, SD1; 1594; 1599, SD2; 1603, SD1; 1604, SD1; 1605, SD1; 1606, SD1; 1611; 1619, SD2; 1621; 1626, SD1; 1629, SD1; 1630; 1635; 1636, SD1; 1638; 1647, SD2; 1657, SD1; 1661, SD2; 1675; 1676; 1700, SD1.

RECEIVED BY THE CLERK

The Clerk, this day, received a copy of a communication dated March 6, 2003 from Paul T. Kawaguchi, Clerk of the Senate to The Honorable Linda Lingle, Governor of the State of Hawaii, stating that, in accordance with the provision of Article XVII, Section 3 of the Hawaii State Constitution, written notice is hereby given of the final form to the following Senate Bills:

S.B. No. 784, S.D. 1
"RELATING TO THE BOARD OF EDUCATION."

S.B. No. 1002
"PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 2, OF THE HAWAII CONSTITUTION, TO ALLOW THE STUDENT MEMBER OF THE BOARD OF EDUCATION TO VOTE."

DEPARTMENTAL COMMUNICATION

The following departmental communication (Dept. Com. No. 42) was received by the Clerk and was placed on file:

Dept. Comm. No. 42, from Marion M. Higa, State Auditor, transmitting their report, Financial Audit of the Department of Business, Economic Development and Tourism.

INTRODUCTIONS

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

Representative Waters introduced students from St. John Vianney School, and their teachers, Ms. Julie Watson and Ms. Sharon Mederios.

Representative Sonson, on behalf of Representatives Karamatsu, Tamayo and himself, introduced students from August Aherns Elementary School in Waipahu; their teachers, Ms. Joy Moriwaʻe and Mr. Scott Sugiyama; and parent, Mr. Michael Taisee.

Representative Arakaki, on behalf of the Kalihi Representatives, Representatives Abinsay, Finnegan and himself, introduced student government leaders from the Farrington Complex schools:

Advisor Nylen Takahashi, and student government leaders, Margaret Mesca, and Sam Tiitii, President, Farrington High School.

Advisor Pat Matsumoto, and student government leader, Crystal Kalakau, Dole Middle School.

Advisor Carol Tanji, and student government leader, Miguel Cadoy.

Advisors Dean Miyata and Kenneth Chang, and student government leader, Vivian Wong, Kalihi Uka Elementary School.

Advisor Monili Brown, and student government leader Jeremy Ioane of Kalihi Elementary.

Advisor William Ka'eo, and student government leader Sage Quiamno of Puuhale Elementary School.

Representative Morita introduced, on behalf of Kauai Representatives, Representatives Kanohe, Kawakami and herself, students from Kauai, Waimea and Kapaa High Schools, and their teachers, Ms. Gayle Cuison, Ms. Harriet Watanabe, and Mr. James Kawamura.

At 12:20 o'clock p.m., Representative Lee requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:05 o'clock p.m.

ORDER OF THE DAY

UNFINISHED BUSINESS

At this time, the Chair announced:

"Members, when we last met in this Chamber on Tuesday evening, a main motion had been made and seconded, to pass House Bill No. 284, HD 1, entitled: "A Bill for an Act Relating to Elections," on Third Reading.

"During the discussion on the main motion, a motion adopt a floor amendment was offered. According to the Journal, debate on the motion to adopt the floor amendment was in progress when the legislative day ended at 12:00 midnight, Tuesday.

"At this time, I turn your attention to today's Order of the Day, Unfinished Business, the first item, House Bill No. 284, HD 1.

"Representative Fox, since you were in the process of delivering your remarks in support of the motion, for the floor amendment, I now call upon you to complete your presentation. Representative Fox, please proceed."

H.B. No. 284, HD 1: (Floor Amendment No. 6)

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

"Thank you, Mr. Speaker. There has been an important change since I spoke before, and that is that we are two days later on the calendar. Should the amendment be adopted, it would be necessary for it to lay over for 48 hours. That would move us past the calendar deadline for moving bills over to the Senate. So I would beg the indulgence of this Body, if we are able to amend this bill, I ask that we would then move to suspend the rules to adjust the calendar on our side, hoping that the Senate would also agree to an exception to the calendar on their side, and then the bill could then move to the Senate.

"This will first require the necessity that we actually amend the bill, so we can just deal with that issue now. But should the bill actually be amended, we would have to take a couple extraordinary actions in order to keep the bill alive."

At 1:07 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:13 o'clock p.m.

Representative Fox continued, stating:

"Thank you, Mr. Speaker. Thank you for the understanding I have that, if by some extraordinary circumstances, the amendment were to pass, it would be unprecedented for the House to forward the bill to the Senate after a wait of 48 hours. But it is something the House could do by majority vote. Thank you very much, Mr. Speaker. Now, if I could go back to the discussion of the amendment."

"As I pointed out when I talked on Tuesday, the amendment contains three basic changes in the underlying bill, all of which are designed to make the campaign reform bill a reform bill, and take out the anti-reform elements.

"Anti-reform element number one was a provision in the bill that criminalizes the process of poll watchers trying to bring additional people to the polls. The proper response for the effort that was mounted in 2002 to have poll watchers bring to the polls people who have not yet voted is to have both parties to engage in a fierce competition to get as many people to the polls as possible. That is the right way to move forward in a State that has a low election turn out. So we should not have this provision that criminalizes the process of trying to get more people to the polls.

"The second anti-reform element that we are trying to take out of the bill with this amendment, is a bill that allows all kinds of contributions not to be counted as contributions. And among the kinds of contributions not to be counted as contributions, are contributions of services, contribution of property, contribution of printed invitations, contributions of food, contributions of beverages, and independent expenditure and electioneering communications. All these elements are defined as if they weren't contributions. I guess that is something you can do with law. You can just write and say, oh by the way, these things are not contributions, Well that's absurd. Of course they are contributions and any effort to treat them as otherwise is anti-reform and should be removed from the bill.

"And the third element is that this bill, which purports to be a campaign reform bill doubles the amount of money that could be contributed to independent non-candidate committees. Committees that we know more familiarly as 'mud PACs'. It doubles the amount that anybody can give to these 'mud PACs'. You can't call a bill reform measure and have an element like that in it. So for these three reasons, we have offered this amendment to clean out the dirty anti-reform elements of this so-called campaign reform bill. Thank you very much, Mr. Speaker."

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

"I rise in opposition to the amendment. I'm just going to go over one piece of the underlying bill that is deleted. It reduces the overall contribution limits for gubernatorial races from \$6,000 to \$2,000. I want to talk about why I think that is important.

"First of all, I don't know anybody who can give \$6,000 to one candidate. I want to illustrate this point, imagine a fundraiser with a thousand people, and each of them gave \$25.

If you look at that candidate, you would think that person has a lot of support, \$25 from a thousand different people. Now imagine a board of directors of a major corporations. Let's say it's a small board of directors, five people, and they each give the current maximum allowable contribution, \$6,000 each. You have a thousand people in one room, supporting a candidate. You five people in another room supporting a candidate. Those five people actually are able to contribute more money than those thousand people. And that's the point of this bill, to level the electoral playing field.

"Now, courts have found that you can't reduce contribution limits to a point where it's sort of ridiculous. You can't say everybody is only allowed to give \$10. But when there is a compelling state interest which I think there is in this case, you can reduce a contribution limit from \$6,000 to \$2,000 or from \$2,000 to \$500. It's perfectly reasonable to level the electoral playing field in this way. We want to know that the size of your pocketbook does not determine your level of influence in electoral politics or legislative politics, and to me, that is the key element of this bill, which is reducing the overall contribution limit from \$6,000 to \$2,000. Because right now, people with money are influencing the electoral process too much. We understand this is a problem. We understand that people want us to fix it. And that's why I oppose this amendment. Because it eliminates that provision."

Representative Caldwell rose to speak in opposition to the proposed amendment, stating:

"I rise in opposition to the amendment. Mr. Speaker, I want to talk to the first point that the Minority Leader talked about and that deals with poll watchers, Mr. Speaker. This amendment, their amendment, deletes language that would prohibit poll watchers from transmitting information obtained while watching who votes, Mr. Speaker, for partisan or campaign purposes.

"What really are the duties of poll watchers? Well, Mr. Speaker, if you go to Hawaii Revised Statutes, just as summary, Section C says, all watchers shall be permitted to observe the conduct of the election in the precinct. Section E says, the watcher shall be permitted to observe the operation. If you go to Hawaii Administrative Rules, under the section dealing with poll watcher guidelines, it says, each poll watcher shall be permitted to observe the conduct of the election in the precinct they are assigned. And Section D, the poll watcher shall not interfere with the orderly process of the election.

"Now, Mr. Speaker, I find it unconscionable, unconscionable, that poll watchers would be there for ulterior political motives. It makes me think of stories I heard about the plantation days when the *luna* would be at the voting place to watch how plantation workers voted. Now, how did they do this, Mr. Speaker? They did it by watching the string tied to the pencil attached to the top of polling booth. If it went more to the left, that meant they were voting Democrat. If it went more to the right that meant that they were voting Republican. There were real consequences for voting the wrong way, Mr. Speaker.

"Mr. Speaker, voting is an extremely confidential and personal right. It is one of our most sacred rights. It includes the right not to vote at all, Mr. Speaker. That's what makes our country great. We're not like some dictatorial countries, where citizens are required to vote. Mr. Speaker, for poll watchers that take information obtained by watching who votes, and transmitting it outside the polling place, outside of the site, for partisan political purposes is unacceptable. Whether that's a Democrat doing it. Whether it's a Republican doing it. Or non-partisan for a particular candidate, let's say, for the mayor of the City and County of Honolulu.

"Imagine, Mr. Speaker. Imagine getting a call on the phone on Election Day, and being told that on the basis of information obtained by a poll watcher that you hadn't voted yet and asking why you hadn't voted, and encouraging you to vote, and encouraging you to vote for a particular candidate. Mr. Speaker, as an American, I have a right to privacy on such a personal matter as to, if and when I vote. Sending me campaign literature and encouraging and asking me to vote is one thing. Calling me on Election Day, with information that I hadn't voted and encouraging to vote, smacks a 'big brother', Mr. Speaker. Maybe that was okay in the former Soviet Union. It is not okay in our State, or in our country. It is this kind of poll watching activity that we're trying stop by H.B. 284, HD 1. In which proponents of this amendment want to allow this to continue, Mr. Speaker.

Representative Magaoay rose to yield his time, and the Chair "so ordered."

Representative Caldwell continued, stating:

"In conclusion, Mr. Speaker. This practice must not be allowed to continue. Please vote down this amendment. Thank you very much."

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

"Those were very creative comments from the Representative from Manoa. I rise in favor. Those were very creative comments from the Representative from Manoa, Mr. Speaker. If this were truly the case, that we should have the right to privacy, we would not have the list posted at each precinct of all registered voters. And we would not have the poll workers go out and cross off the names on that list of those who have already voted. So, I think that creative explanation doesn't hold any water, whatsoever.

"We have the list up there so people can go up. They can take a look at say, "Whoops, I have got some neighbors, I've got some family members that haven't made it to the poll. I'm going to give them a call." But for poll watchers who are volunteers, we're now saying that you use that cell phone and you're a criminal. Now, that is absolutely wrong. I know we're banning cell phones, the use of cell phones in cars. We're now banning them for a poll watcher to go up and take a look at the list, walk away from the voting area, pick up the phone and call people that poll watcher knows have supported his or her candidate. And we're making them into a criminal.

"If the Representative from Manoa wants privacy, then the Representative from Manoa should introduce a bill next legislative Session saying that we don't want the list of registered voters to be posted at the polling place. We don't want the elections officials to cross off the names of those who have voted. We want this to be absolutely blank, so no one has any information of who is registered to vote there. I think that it's absolutely disgraceful, Mr. Speaker, that the Majority sponsored bill is trying to eliminate the right of poll watchers, volunteers, to contact others to come to the poll to vote.

"I've just been passed a note by one of my colleagues, and it's a very important thing to say. Who votes is public information. How they vote is secret. There is nothing to guarantee that poll watcher goes and makes a call away from the voting area. There's nothing to guarantee the person, that poll watcher has encouraged to come a vote is going to vote for the candidate that the poll watcher hopes that person is going to vote for. I don't how my children vote, but I sure encourage them to go to the poll and vote.

"Mr. Speaker, I think the amendment should pass. There is some comment that the speaker from Manoa made, about telephone calls are intrusive. Well, in my district, a lot of us received a call from Senator Inouye, saying to vote for my opponent. I think that telephone calls are made on behalf of whichever candidate. And those are the kinds of things that the speaker from Manoa, I hope, is not going to try to stomp out. I'm glad Senator Inouye was not successful."

Representative Bukoski rose in support of the proposed amendment and asked that the remarks of Representatives Thielen, Caldwell and Schatz be entered in the Journal as his own, and the Chair "so ordered."

Representative Bukoski continued, stating:

"For the reasons that I agree, in general terms, with a lot of what they have said. My problem with this bill and the reason why I support the amendment is because the Representative of Makiki spoke to key elements of this bill as it pertains to campaign spending provisions. And in the Standing Committee Report, the first paragraph, the purpose of this bill as received is to prohibit the solicitation of campaign contributions on government property and prohibit contributions from government contractors.

"And then, in the first section of the bill itself, "The Legislature finds that the reforms are needed to reduce candidate reliance on contributions and restore the public's confidence and the integrity of the elections itself. Accordingly this Act amends Hawaii's campaign spending laws."

"I don't see how this particular amendment to Section 3 pertain to the underlying intent of the bill itself. So, for those reasons, Mr. Speaker, I support the amendment. Thank you."

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

"I rise in support of the amendment. I'd like to make the point or share, perhaps, the idea that we spend much of our resources. We spend much of our effort to encourage our children to get out the vote ..."

Representative Lee rose to a point of order.

The Chair responded, stating:

"She is speaking in support."

Representative Lee responded, stating:

"Yes, I know. She is speaking in support, but she is also addressing the Body rather than you."

The Chair addressed Representative Ching stating:

"Please look at the rostrum. Please proceed, Representative Ching."

Representative Ching continued, stating:

"Thank you very much. I am sorry. I do want to mention that much of our effort, much of our tax dollars, as teachers, as family people, we recognize that getting people out to vote is a high priority. Because as well we know, that when we have as many people as possible, therefore government is represented by the people. The people are represented. It may be the concept of going back in time. The analogy of the *luna*, to what we have before us here in 2003, is akin to comparing not just apples and oranges, but perhaps a macadamia nut to a papaya.

"And the concept that yes, it is regrettable that in our past we did have the problem of making it an oppressive situation, where individuals were watched as to how they vote. That is certainly not the case today when you are asking whether they vote. And I think that it is a priority. I know as a citizen, as a former teacher, that it has always been a priority in civic education, to ensure as much voter participation as possible."

At 1:21 o'clock p.m., Representative Hale requested a recess and the Chair declared a recess, subject to the call of the Chair.

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

Representative B. Oshiro rose to speak in opposition to the proposed amendment, stating:

"Thank you, Mr. Speaker. I rise in opposition to this measure. I just wanted to clarify some of the proceedings in earlier arguments, and how this provision got incorporated. Basically, the Judiciary Committee held a hearing on February 18, and at that time we heard HB 284, and HB 1352. Thereafter, what we did was we deferred decision-making because we wanted to give members an opportunity to come and express their concerns. We had decision-making on February 25, 2003 and only one member came to talk to me about the bill. They talked about other provisions. They didn't address this provision.

"It is also important to note that when we had the public hearing, there was no testimony on this provision whatsoever. Nobody said they were in opposition, in favor, nothing. So basically we left it in ..."

Representative Fox rose to a point of order, stating:

"Point of order, Mr. Speaker. According to Mason's, it is not proper to introduce and to debate discussions that took place in committees. We must restrict ourselves to the Committee Report itself."

Representative B. Oshiro responded, stating:

"I am not talking about any decision-making. I am talking about in between the hearing and actually the decision-making. When we had it a week later. But, nonetheless ..."

Representative Fox again rose to a point of order, stating:

"Point of order, Mr. Speaker. The purpose when we come to the floor is to address certain things. The content of the bill, and insofar as we refer to previous decision-making only, and discussion. Not just decision-making, but discussion. That discussion, as it is discussed in the Committee Report."

The Chair responded, stating:

"The Committee Report and also what experience the members of the respective Committees have had and shared with this House. Please proceed."

Representative B. Oshiro continued, stating:

"Well, let me move on. Anyway, what I did want to say is I think we need some clarification. When you look at what the registration information posted out before the polling is for. It is really so people can come there and check if they are voting in the right precinct. Especially after we had reapportionment, you had a lot of people going to the wrong precinct, the wrong polling place. So you have this person sitting in front of their list, and they told you to please go there and check your name

and see if you are voting in the right place. And in that entire list, at least in my precinct, I never saw any single one crossed off. It wasn't until you actually went up in to the polling place, registered and told them you wanted to get your ballot, that is when they cross it out.

"It really concerns me that if what we have are poll watchers, who are only there to really observe fraud or report on fraud, if what they are doing is hanging over looking over into the books and taking notes, that is what we are trying to really prohibit with this provision.

"Secondly, people have raised the issue that really what we are trying to do is increase voter turn-out and help get out the vote. We're not trying to say that people shouldn't get out the vote. All we are saying is, don't do it in the polling place. We see that there is a 200-foot zone whereby we don't allow any campaign purposes. Any sign waving, any types of people to do any campaign purposes, because we want to keep it as a 'safe zone'. We are merely doing the same thing again.

"And someone has raised the criticism that if you have a poll watcher and they go and tell their friends that, hey you didn't vote. That is not campaign purposes, nor is it partisan. That is just doing your friends a favor. I really don't think they would be subject to the penalties that have been suggested by some of the previous speakers.

"Finally, as to the definitions that were deleted. What we did in the House Bill was merely try to add some additional clarification on some definitions that weren't in existence. Because what we have seen is that by not having these definitions, we've encountered problems through interpretation by the Campaign Spending Commission. Some people may recall there was one point where the Campaign Spending Commission said that if somebody takes a picture and gives it to you in a brochure, that is an in-kind contribution and therefore you have to disclose it. We merely wanted to say that this is what in-kind contributions are, as long as you don't exceed \$1,000, which is the regular limit anyway. Then we don't see a problem. That is all we did. We just added in some clarifying definitions. So for these reasons, I stand in opposition to the amendment."

Representative Fox rose and stated:

"Mr. Speaker, point of information. It is section 101, page 84 of Mason's, point number 5. "Members may not allude to nor relate to debate on what was done or said in committee, except such as is contained in the written report made to the house by the authority of the committee. Thank you."

The Chair responded, stating:

"What page are you on, Representative Fox?"

Representative Fox: "The new Mason's, page 84."

At 1:37 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:37 o'clock p.m.

At this time, the Chair stated:

"The Chair stands corrected."

Representative Saiki rose and stated:

"Mr. Speaker, I have a point of information. Section 101 of Mason's specifically limits or does not allow for debate on matters that were done or said in committee. I believe that the Representative from Aiea alluded to statements that were made outside of the Committee hearing."

Representative Thielen rose to respond, stating:

"Mr. Speaker, I will respond directly to the allegation by the Vice Chair of Judiciary. Mr. Speaker, I spoke to him specifically."

Representative Luke rose to a point of order, stating:

"Point of order. On what point is the Representative from Kailua rising?"

Representative Thielen responded, stating:

"I will say it again. I am in favor of the amendment, and I am specifically referencing the comment that no one came up to the Vice Chair to raise any objections with the exception of one person.

"Mr. Speaker, I was an additional person to the other that raised objections and went up and spoke to him after the hearing and said specifically that the poll watcher provision was the wrong kind of provision to put in. We should not make criminals out of our poll watchers. So I would like to set the record straight on that.

"The other thing is what he has represented is quite a bit misleading. If you take a look on page 7 of the bill, line 15, it states that it doesn't tie it to the 200-foot limit. It says any watcher who uses or transmits on the day of the election for partisan or campaign purposes, any information obtained in the course of performing their responsibilities shall be guilty of a misdemeanor. Any poll watcher that has a cell phone, looks at the publicly posted list that is part of our democratic process, sees some people that have not voted, walks 200 feet away, picks up the phone and says to that poll watcher's friends, neighbors, children, whoever, "Your name hasn't been crossed off the list. Have you had an opportunity to come to the polls?" Bingo. Cell phone. Criminal. And that is wrong."

Representative M. Oshiro rose to speak in opposition to the proposed amendment, stating:

"I rise against this amendment. Just to follow up on the previous speaker's comments. Two points. I think number one, I think it is a violation of the current electioneering laws for anyone to go out there and to mark off or *italicize* or to highlight my name as it appears at the polling place prior to me entering polling place itself. For anyone to be doing that, and if that is the practice right now, I believe it is improper.

Representative Thielen rose to a point of personal privilege, stating:

"Point of personal privilege, Mr. Speaker. I never said that statement. I never said that statement. I said it is the campaign election officials that periodically go out and line-off people's names if they have cast a vote. I never said the other thing."

The Chair responded, stating:

"Your point is well taken. You may proceed, Representative Marcus Oshiro."

Representative M. Oshiro responded, stating:

"Mr. Speaker, I didn't allude to the Representative from Kailua herself doing it. I was alluding to the fact that election officials, whether it be polling workers or other officials that were doing that, I believe that is improper.

Representative Thielen again rose to a point of personal privilege, stating:

"Point of personal privilege. That issue hasn't even come up. No one has even alleged that is happening. It is not part of this bill so I don't know from whence cometh this idea."

The Chair addressed Representative Thielen, stating:

"Representative Thielen. You rise on a point of personal privilege. The question is, that this particular speaker is not making you as an aggrieved ..."

Representative Thielen: "Point of information. I have no idea where this concept comes from. It is not part of the bill and no one has argued about this at this point. And I don't think anyone in this Body will disagree about it."

Speaker Say: "Representative Thielen, it is tied to the bill in regards to the amendment as poll watchers."

At 1:42 o'clock p.m., Representative M. Oshiro requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:43 o'clock p.m.

At this time, the Chair announced:

"Members, may we continue the lively debate on this issue. The Chair recognizes Representative Marcus Oshiro."

Representative M. Oshiro continued, stating:

"Mr. Speaker, I apologize if I misspoke. I just want to make it very, very clear that it is, in my humble opinion, if a poll watcher, election official will go out to the area in front of the polling place where you have a list of names of those who are qualified and eligible to vote at that particular poll. If the poll watcher goes out there and crosses off a name or highlights it or italicizes it in anyway, it is my belief that, that would be wrong and it would be a violation of present law. And I just wanted to make that point.

"The second point that I wanted to make is that I think it is quite disingenuous for anyone to argue today that any poll watcher, any poll watcher volunteer, will look at the poll books to discover who has, or who has not voted at that particular poll. And then as a courtesy, or in the interest of governance or democracy, call a particular individual and suggest that they come down, and in the same conversation not suggest who they'll vote for. It would defy logic. It would defy reason. And it defies practice. Anyone who would go into the poll book and then call a friend or neighbor or associate, would definitely call that person for the purposes of having them come down to vote for a particular candidate or party. That is the problem we are having here."

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

"Thank you Mr. Speaker rise in support of the amendment. Mr. Speaker a number of speakers have alluded to the various challenges or difficulties or problems with the underlying bill. I could focus on a number of those, but let me just focus on one

particular area. One of the reasons why I support this amendment is because it addresses something, I think, that is very problematic with this underlying HB No. 284, HD 1.

"If the Members would look at the underlying bill, page 21. One of the things this bill does, and it is in the section (b), lines 3 to 9. The language reads, "except as otherwise provided in section 11, no person shall make contributions to a non-candidate committee in an aggregated amount greater than \$2,000 in any election period." What is happening here is that the current law, if you look at the part that is blocked-out, bracketed and stricken. The current law is \$1,000 per election. This bill will actually increase it to \$2,000. It is a 100% increase.

"So my question at first when I read this, is what is so good about this portion that we feel that we need to increase it. When you look at it carefully you see this again is contributions to a non-candidate committee. It is not a committee that works closely with or coordinates with the candidate. It is a non-candidate committee. Some people call these committees 'mud PACs'. I guess it depends on who the committee is supporting, or who the committee is opposing. But this is a committee which now would get a 100% percent more in terms of a contribution from a particular person.

"Now in the last election Mr. Speaker, I had a number of pieces of literature that were sent against me. They weren't sent supposedly by my candidate. They were sent by a different organization. I don't know if that organization would qualify as a non-candidate committee. But these similar pieces, you could call them 'hit pieces' were very derogatory, very misleading. I would go so far as to say that they were lies. And these kinds of pieces could now receive twice as much money. These kinds of non-candidate committees that print pieces like this could, under this statute, receive twice as much money. It seems to me absolutely backward that we would be increasing the amount. That given what happen the last election, we would want to look at restricting how much these non-candidate committees could get.

"Just to show you how misleading this piece was, if I might be able to share this. It has my name at the top. Then it has a picture of the Hawaiian Islands and it says, 'For sale. For sale. For sale.' I am an attorney, not a realtor, so I wanted to read further what this piece said. It says, this candidate, and it has my name, is selling Hawaii off to the gas and oil companies. Now what is so surprising is that in the last Session I voted for the price caps. I regret that. That was a bad policy call."

Representative Saiki rose to a point of order, stating:

"Mr. Speaker, point of order. Could the Representative please confine his remarks to the measure before us?"

The Chair responded:

"I believe he is. Please proceed."

Representative Pendleton continued, stating:

"Mr. Speaker, it would be difficult for me to illustrate why a non-candidate shouldn't get twice as much money without referring to some real-world example. So that is the reason why I am referring to this.

"If you read this thing on the back it says, "... and the gas and oil companies are lining up to buy." Then it says that gas and oil companies have given tens of thousands of dollars to, and it has my name, and the Republican Party. Now I can tell you, I haven't receive tens of thousands. I didn't receive a thousand. I guess you add the little amount that I got, plus

whatever the other party got, to make this statement true. It is absolutely false. It is misleading. It is a lie.

"It says, when the Republicans had a chance to help the families of Hawaii ease the burden that high gas prices bring, Republicans said no, and sided with the gas and oil companies and against our families. It cites the Senate Bill, in these uncertain times, and it gives my opponent's name, who will stand up against corrupt corporations and will fight for Hawaii's family and environment. Stop the gas and oil industry from buying Hawaii's State Legislature. Say no to, and it has my name."

Representative Souki rose to a point of order, stating:

"Mr. Speaker, point or order. The good Representative is speaking about some campaign literature that happened a year ago. It has no bearing to this particular amendment that we have now. I wish that he would continue to speak only on the amendment, and not on the perceived misdeeds of a certain committee of the past. Thank you."

The Chair responded, stating:

"Representative Pendleton is making his correlation of the 'mud PACs' increase of \$1,000 to \$2,000, Representative Souki ..."

Representative Souki continued, stating:

"Yes, Mr. Speaker. But me thinks he is protesting too much. And furthermore, I don't appreciate the fact that I am a realtor and he alleged that realtors are bad people, Mr. Speaker. I don't appreciate that, Mr. Speaker."

Representative Pendleton continued, stating:

"Thank you for allowing me to proceed, Mr. Speaker. I want to make sure that no one thinks that I am speaking badly about realtors. That was an off-handed comment, and we recognize that here. But any future researcher who reads the Journal needs to know that the comment was said in jest, I believe, by the gentleman from Maui. I have the highest respect for that profession.

"Again Mr. Speaker. The impression one would get from reading the literal words is that is I voted no on this particular measure, when I in fact, vote in favor of it. Now if that isn't misleading, if that isn't disturbing, I don't know what is. We don't want to double the numbers of these kinds of pieces in the next election. And where do I get that figure of doubling? Again, page 21 of the underlying bill, lines 3 to 10 would allow for twice as many of these to be out there."

Representative Leong rose to yield her time, and the Chair "so ordered."

Representative Pendleton continued, stating:

"Thank you for yielding time. I am going to wrap this up. But again Mr. Speaker, we believe that these are problematic. We believe that these kinds of pieces don't exhibit the aloha spirit. They have no place in Hawaii politics. You can criticize me for voting for the gas cap, but don't criticize me in a way that suggests that I voted otherwise. Criticize me for my votes. Don't tell my constituents that I voted differently than I actually did. Again, I regret that I did vote for the gas cap because I was hit with it anyway.

"Page 21, lines 3 to 9, allow for doubling the funding to these non-candidate committees, allow for doubling the amount of monies to these 'mud PACs'. It is not the way to go. It is bad

public policy. It is not in sync with the aloha spirit. It should have no place in Hawaii. And that is why I support the amendment, because it addresses this very problem in the underlying bill, and I want to challenge anyone here to explain to me why we want twice as many of these pieces out here. Why we want to double the amount going to these non-candidate committees? I am willing to find out why we want more of this unaccountable money, Mr. Speaker. So for those reasons, I support the amendment and have grave concerns with the underlying bill."

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

"Thank you Mr. Speaker I rise in support of the amendment. When we speak of leveling the playing field, I think that this is the underlying purpose for the amendment. We do want to level the playing field. And if I may take that analogy a bit further, when somebody trains for, say a baseball team, for example. One team may train on natural turf, they may train on real grass, grass roots if you will. While others may practice in, the other training camp, on artificial turf. What happens in the long run when those two teams play each other, there is an advantage on which turf they eventually compete on. If the natural turf team plays in a stadium with AstroTurf, they are going to be at a disadvantage, and this bill here, the underlying bill purports to level that playing field. But actually I think that really it slants and limits candidates to one particular field, and I would say in this case, AstroTurf.

"If I may explain that. Republicans in the past, have received monies from individuals, oftentimes small businesses, even large businesses in larger races, but individuals. It is pretty common knowledge in a larger race, a Republican may raise money and this is what happen in the last race. A Republican candidate raised a lot of money from a number of individuals, and it was as reported earlier, according to one speaker, the limit is \$6,000 per contributor.

"The Democratic candidate could not raise that kind of money, but what does happen is during the election cycle, advertisements are put on television by different organizations and union groups oftentimes. Those are done without the candidate's knowledge, and so they can run as many advertisements as they like. They can donate, and do donate millions of dollars worth of advertising, but it is not donated directly to the candidate. So what happens is the underlying bill proposes to slant that by limiting the natural turf players, the grass roots, raise money from individuals, the Linda Lingles of the State. And it enables, by doubling non-candidate committees, the 'mud PACs' as we refer to them, doubling their funding.

"So you see, while one candidate who maybe has a grass roots approach, and raises money from individuals, will now be limited. Their funding or campaign amounts will be limited to one third of what they are. The other candidate, or the padded AstroTurf, the artificial turf, will now be doubled in their ability. So what is happening here is not a leveling of the playing field. It is actually a slanting of the playing field, and for that reason we need to pass this amendment, which would actually remove the big union, special interest type of electioneering process that goes on right now. That is why I urge my colleagues on both sides of the aisle, to support this amendment. Otherwise we may be facing the idea from the public that, hey we just introduced the, quote unquote, campaign reform bill because Mazie couldn't raise the money, and Lingle did. So let's limit the Lingles of the State and enable the Mazies. Well that is not fair to do. That's not right to do. So that is why we brought this amendment forward. Thank you."

Representative B. Oshiro rose to respond, stating:

"I just wanted to clarify some of the prior statements made by the last speaker. I took a look at the campaign spending reports for Linda Lingle and Mazie Hirono from the last election. When you look at the spending reports, basically it is all substantially the same when it comes to these contributions over \$4,000, because that is what we are doing.

"We are essentially changing the contribution limits from \$6,000 to \$4,000. And when you look at who is impacted, and how many people are impacted, it is really not a substantial impact. Specifically, when you look at Linda Lingle's spending report from September 23 to October 21 ..."

Representative Stonebraker rose and stated:

"Point of information. Just to clarify. I was under the impression, I am sorry I don't have the bill before me, but the Representative from Makiki, maybe I misheard, indicated that it was a limit from \$6,000 to \$2,000, and on that basis I spoke. The current Representative speaking said from \$6,000 to \$4,000. If I may have a clarification on what is the actual bill here."

Representative Schatz rose to respond, stating:

"Mr. Speaker, may I just correct myself? The Vice Chair of Judiciary did correct me. It goes from \$6,000 to \$4,000. I was mistaken. I thought it went from \$6,000 to \$2,000."

Representative Stonebraker then noted:

"I would like the Journal to reflect that my words were in response to the speaker from Makiki. Thank you for that clarification."

Representative B. Oshiro continued, stating:

"I just wanted to provide some of the data that people are saying, that we are unfairly limiting ..."

Representative Thielen rose and stated:

"Excuse me. I have a question as to whether or not this is relevant to the amendment before us."

The Chair responded, stating:

"I have allowed the debate, as far as Representative Stonebraker bringing up the names of the two candidates that ran for the gubernatorial race and their files, so I will let Representative Blake Oshiro continue."

Representative Thielen: "I think we now are getting beyond that and going into information that came from another source that we haven't had a chance to review."

Representative Lee rose to a point of order, stating:

"The speaker is out of order. You have made your decision."

The Chair addressed Representative Thielen, stating:

"Representative Thielen, could you sit down at this point."

Representative B. Oshiro continued, stating:

"I am more than happy not to make any rebuttal, but unfortunately it will be in the House Journal, so unless there is a retraction of those facts, I want to clarify those facts.

"Well, I'll clarify those facts then. As I was stating earlier, from September 23 to October 21, there were basically 29 contributors out of 1,509 contributors. That basically, only amounts to 1.9%. Similarly on October 22 to November 5, there were only 58 contributors over \$4,000, out 1,558 contributors, which basically only amounts to 3.7%.

"On the other hand, when you look at Mazie Hirono's numbers, it is almost substantially the same. There were basically 29 contributors, again in the first preliminary report from September 23 to October 21. And although she had less contributions, it actually hurt her more because it was 4.5%, whereas for Linda Lingle, it was only 1.9%.

"When you look at October 22 to November 5, there were 75 contributors over \$4,000 out of 915. That basically amounts to 8.2%, versus the 3.7% by Linda Lingle. But specifically, we did this limitation was when you look at who is contributing, it is really an interesting fact because 29 out of the 79 contributors for Mazie Hirono, in the last report, were from out-of-state. Similarly, 26 of the 58 contributions for Linda Lingle over \$4,000, were from out-of-state. So you know, that is what we are trying to do. We are trying to take a look at this out-of-state money coming in over \$4,000, which we see no need for these additional funds.

"As for why we increased the money to the PACs, basically we just equalized it. You can give \$2,000 to a candidate, and you can give \$2,000 for a PAC. So we saw them as standing in the same position. Thank you."

At this time, the Chair announced:

"Members, we've had a lot of discussion at this point. The Chair will ask your indulgence for a roll call vote on this amendment."

At this time, the Chair called for a roll call vote, and upon a show of hands, the roll call request was approved.

Roll call having been approved, the motion that Floor Amendment No. 6, amending H.B. No. 284, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," be adopted was put to vote by the Chair and failed to carry on the following show of Noes and Ayes:

Noes, 35: Representatives Abinsay, Arakaki, Caldwell, Chang, Evans, Hale, Hamakawa, Herkes, Hiraki, Ito, Kahikina, Kaho'ohalahala, Karamatsu, Kawakami, Lee, Luke, Magaoay, Mindo, Morita, Nakasone, Nishimoto, B. Oshiro, M. Oshiro, Saiki, Say, Schatz, Shimabukuro, Sonson, Souki, Takai, Takamine, Takumi, Tamayo, Wakai, and Waters.

Ayes, 15: Representatives Blundell, Bukoski, Ching, Finnegan, Fox, Halford, Jernigan, Leong, Marumoto, Meyer, Moses, Ontai, Pendleton, Stonebraker, and Thielen.

Excused, 1: Representative Kanoho.

MAIN MOTION

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

"Are we back on the bill? I would like to rise with support with some serious reservations. If the Journal would reflect the same reasons for my support on the amendment. I want to avoid any public criticism that we are simply responding to previous elections with legislation in order to give advantage to one Party or another. Before passing judgment and voting no, I will wait to see what the Senate does. And I just want to voice my concerns. So support with reservations."

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

"Support with grave reservations. Mr. Speaker, I am truly puzzled because this is the second time recently, that I have had to wonder about my ability to read the English language. But it appears to me that on pages 19 to 20, the bill very clearly limits the total contribution in any race to \$2,000. This point has been gone over twice and I think we came out with the wrong answer. It is \$2,000, and not \$4,000. So we actually voted with the wrong information on the amendment. I am not going to ask for a re-vote, but it is very unfortunate that we don't get the right information when we are in the process of debating. It is \$2,000.

"Let me speak to that point. This is the problem with the bill, and part of my reservations is this \$2,000 limit. Sort of like everybody in Hawaii, certainly all of us in this room, understands that it costs more money to run for Governor than it does to run for State Representative. The reason is that the Governor has to run statewide and you don't have the ability as the Governor to go door-to-door and get to know people in a non-monetary way. You've just got to spend a lot of money to get known.

"Here we are with a system that makes a lot of sense. The more people you have to reach in order to get elected to the office, the more money you're allowed to have for your campaign. City Council races, bigger. Mayor's races, bigger. State Senator, more than State Representative. We are Representatives. We know this. We totally understand this. How come we create a bill that limits running for these big offices to the same amount that we run for in our own offices?

"Now maybe if we confine the amount of money that we raise solely to people within our districts, and the Governor could raise statewide for the same amount of money, that kind of difference would make sense. But since we don't do that, we as State Representatives can raise money from wherever we want to, similarly the Governor can. Why in the world would we limit the Governor to the same amount as the State Representative? Thank you Mr. Speaker."

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

"Mr. Speaker, I vote with reservations on the basic bill. I voted against the amendment because I don't think it is the proper way to solve this problem. But I do hope that when the bill goes over to the Senate that the people who oppose certain sections will really get out and make their case because I agree that there are certain parts of this bill that I am for. I am very much for election reform.

"I suspect that I spent less than any other candidate to get elected. With more opponents than any other candidate had. I took public financing, but I really feel, and I signed the original bill. I am for the original bill. The House Draft 1 is something I think needs further discussion and I would urge them to do it."

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

"Thank you, Mr. Speaker. I rise in support with grave reservations. There are good ideas in this bill, many good ones and most of us can support them. However, there is one bad idea tossed out as well, that makes this bill become a legislative 'shell game'. It is all or nothing, and of course I am referring to the small clause in section 3, amending section 11-132 of the HRS.

"This amendment makes it a misdemeanor offense for any election official or watcher who uses or transmits on the day of the election, for partisan or campaign purposes, any information obtained in the course of performing their responsibilities as an election official or watcher. In the official description of the bill it merely says, clarifying prohibited conduct at polling places. This clause doesn't clarify anything. It just adds partisan prohibition that didn't exist before. HRS 11-77 states, "Each qualified political party shall be entitled to appoint no more than one watcher in each precinct and absentee polling place in which the candidates of such party are on the ballot." It further states that, "All watchers for precincts shall be permitted to observe the conduct of the election in the precinct."

"Now why do political party poll watchers watch? They watch for political 'monkey business' by a candidate or his team at the polling place. They also watch how the turnout is going and if all the precinct party people have made it to the polls, or perhaps Mr. Speaker, they need help getting to the polls. That has always been a traditional duty of these poll watchers. Is this conduct worth being cited for?

"This measure is part of a Majority Party package. Does the Majority Party have something against getting out to vote? If they do ... Well they do I guess, if the vote turns out to be Republican votes. The rule seems to be if your opponent out hustles you, then just change the rules of the game. That is wrong, Mr. Speaker. This one little clause, out of a 19-page bill, makes the measure undeserving of my full support. This could have been a very good bill. Instead it is a partisan 'steam roll' attempt to make it more difficult for Minority candidates to win elections. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in strong support of the measure. Mr. Speaker, this measure really serves to level out the playing field with respect to candidates running elections.

"With respect made to the point earlier by the Representative from Makakilo with regard to poll watchers. Mr. Speaker poll watchers and precinct officials really have a very specific purpose and that is to ensure that elections are run in a very fair manner, there is no fraud going on, and if such activities do occur, they are there to point it out and bring it to the attention of election officials. Mr. Speaker, all we are doing with this bill is clarifying that partisan activities should be kept outside of the polls. We're all for partisan activities and we all stand behind our parties. If you are going to conduct partisan activities, all we are saying is just keep it out of the polls.

"With respect to the election day period Mr. Speaker, there was some confusion over whether we are limiting contributions to \$2,000. Mr. Speaker, I direct the Members' attention to page 14, lines 8 to 12, where we amended the definition of election period to mean the two-year period between general election days. So really Mr. Speaker, we are keeping the limits at \$4,000. Thank you, Mr. Speaker."

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

"I rise with reservations. Mr. Speaker, I'd just like to make a brief comment. Earlier the Vice Chair of Judiciary gave us reasons for limiting out-of-state donations and money. I may be wrong, and maybe I can be clarified, but as far as I can read here, the corporations that are going to be affected are corporations within the State and subject to laws of the State of Hawaii. So I don't see it affecting or changing the out-of-state

money that would continue to flow in on elections. Thank you."

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

"Thank you. Because of some grave disagreements with this bill, I vote with grave reservations on it."

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

"Mr. Speaker, just with reservations. And I was just wondering, because we were talking about non-partisan in the polling place. If so, then why for so long have our precinct captains or whatever they're called been the same party as the Governor?"

Representative Blundell rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

Representative Ching rose and asked that the Clerk record an aye vote with reservations for her, and the Chair "so ordered."

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

"Thank you, Mr. Speaker. I rise with very serious reservations on this measure. Based on the doubling of the non-candidate committees, I would like the words of my colleague from Maunawili inserted in the Journal as if they were my own," and the Chair "so ordered. (By reference only.)"

Representative Meyer continued, stating:

"I think that what was done in the last election was unconscionable and it looks like the authors of this bill want that to continue. They like the results so much, they want to double the funding for that kind of thing. And I think I am very much against that."

"I have serious concerns about the exempting services, the rental of property, making of food, providing food and beverages, those things not being counted as campaign contributions when they really clearly are. And I think it has been said here on the floor today, that many Democrats are supported by unions, and the unions provide these kind of services and this should not be in the bill in any form. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. With very serious reservations on the bill. Mr. Speaker, I was wondering if the Vice Chair of Judiciary, who I believe is one of the major proponents of the bill, could answer a question?"

At 2:14 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:20 o'clock p.m.

Representative Thielen continued, stating:

"Thank you, Mr. Speaker. I continue with serious reservations about the bill. The Vice Speaker of Judiciary clarified one point for me, and I appreciate that."

"I do want to respond to the Representative from Wahiawa's comment about if you are a poll watcher, that it would be inappropriate to communicate to anyone for partisan purposes. Mr. Speaker, many of us, including myself ..."

Representative Saiki rose to a point of order, stating:

"Point of order. I believe the comment of the Representative from Wahiawa was on the floor amendment, and not the main motion."

The Chair responded, stating:

"Yes, that's true."

Representative Thielen continued, stating:

"Thank you. And I am referring to the same section that is in this section, which we tried to remove. The poll watcher or someone that does volunteer work at the polls, many times can make a phone call to say, 'Wait a minute. I see your name is still on the list.' Mr. Speaker, when I go to vote, if my two youngsters' names have not been crossed off, and my son-in-law's name, and my daughter-in-law's name, have not been crossed off, I do go back home and I call them and I say, 'You guys haven't voted. Don't forget to vote. Do you need me to take care of the grandkids or what?' I would not dare to tell them for whom to vote, and they live in my district."

"So the point is, to get the vote out. That is what we want to encourage poll watchers to do. Not to make them criminals. Thank you."

The Chair addressed Representative Thielen, stating:

"Representative Thielen, would you like your comments to be wiped off the record? As far as that as a candidate, you and I are not supposed to be looking at those ..."

Representative Thielen: "When I go and sign in, my daughter's name is ... I am Cynthia, and she is Laura. My daughter's name is right below mine."

Speaker Say: "All I am questioning is the legality of a candidate looking at the list, and then campaigning from that list."

Representative Thielen: "I have to look at the list when I sign my name. And if I see they haven't voted, I am not campaigning. I don't go home and say, 'Vote for me.' I go home and say, 'You haven't voted.'"

Representative Stonebraker rose and stated:

"I believe it would be a point of clarification. I think that the present speaker is referring to a hypothetical situation in which it is completely valid and legal to notify somebody that today is the day you need to vote. So I don't think she is speaking to campaigning."

Representative Thielen: "And I am not telling anyone for whom to vote. I would not do that."

Speaker Say: "Just telling them to go out ..."

Representative Thielen: "To go out and if you need me to baby-sit granddaughters."

Representative Fox rose and stated:

"Very briefly, I sense we are talking about clarifying the record, and the record I would agree, on page 14, election

period two years, \$4,000 for gubernatorial candidate. Two election periods of two years each, adds up to \$4,000."

Representative Saiki then called for the previous question, seconded by Representative Lee, and by unanimous consent, was granted.

The motion was put to vote by the Chair and carried, H.B. No. 284, HD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Third Reading by a vote of 48 ayes, with Representatives Arakaki, Kahikina and Kanoho being excused.

The Chair directed the Clerk to note that H.B. No. 284, HD 1, passed Third Reading at 2:24 o'clock p.m.

At 2:24 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:30 o'clock p.m.

H.B. No. 1077, HD 1:

Representative Saiki moved that H.B. No. 1077, HD 1, pass Third Reading, seconded by Representative Lee.

At this time, Representative Moses offered Floor Amendment No. 7, amending H.B. No. 1077, HD 1, as follows:

SECTION 1. House Bill No. 1077 House Draft 1 is amended by amending sections 3 and 4 to read as follows:

"SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of [~~\$508,141~~] \$1,000,000 or so much thereof as may be necessary for fiscal year 2002-2003 for the operations of the office of the governor.

The sum appropriated shall be expended by the office of the governor for the purposes of this Act.

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of [~~\$121,736~~] \$141,000 or so much thereof as may be necessary for fiscal year 2002-2003 for the operations of the office of the lieutenant governor.

The sum appropriated shall be expended by the office of the lieutenant governor for the purposes of this Act."

The Clerk then noted that the proposed Floor Amendment to H.B. No. 1077, HD 1, had been placed on the Members' desks on March 4, 2003.

Representative Moses moved that Floor Amendment No. 7 be adopted, stating:

"Thank you, Mr. Speaker I move for the adoption of the amendment and beg the Body's indulgence to let me get through my introduction and speech here."

The motion was then seconded by Representative Thielen.

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

"Thank you, Mr. Speaker. As you know, in order to balance the 2002 budget, the previous Legislature appropriated only two-thirds of the money necessary to operate the Governor's office. We knew then that an emergency appropriation would

be necessary this year to cover the shortfall. It was known by all Members of this Body that were here then, at least. We knew that the emergency appropriation would be passed.

"Governor Cayetano spent most of the money appropriated to run the Governor's office before he left in December. Even though she reduced the staff from 70 to 66, as well as took a 5% reduction in operating expenses. That is \$116,000 to June 30 of this year. Far more than what she asked of other departments. The new Governor requires an emergency appropriation from this Legislature and here we are three months after the new Governor's inauguration, months after a formal emergency request to the Legislature, and the Governor has yet to receive a dime.

"Elected by the people of this State, the Governor represents us all and thus deserves our support in funding the operation of her office. While our new Governor was traveling across the nation, talking about how great our State is, you chose to slash her budget. While she was in Washington getting support for Hawaii from the President and his Cabinet, and in New York getting support from the bond rating market, she could not even get the support from the very Legislature who promised to work with her only a month ago. Mr. Speaker, this does not make sense. Ladies and gentlemen, does this Legislature really want to look this petty? Please, I am begging you do the right thing.

"The Governor is not asking for any additional funding. She is asking for emergency appropriations to carry out the duties of the office to which all of us elected her. Give the Governor the money needed to operate the office. Stop this partisan behavior. Mr. Speaker, you were absolutely right when on Opening Day, you said, we need each other's help. We must find a way to work together. I ask you now to find that way.

"Mr. Speaker, I understand that because of the conflict between the 48-hour rule and the crossover deadline, the passage of this amendment will require a suspension of the rules in order to allow this amendment to cross to the Senate. Mr. Speaker, I ask a point of information. Will the intention of the Majority be to pass this amendment in order to kill all emergency funding for the Office of the Governor? Or will the Majority do the right thing and subsequently suspend the rules to allow this important amendment to cross to the Senate so that our Governor will have the funding necessary for her to serve all the people of Hawaii?"

The Chair responded, stating:

"It is up to the will of the Members of this House at this point. I don't know what the vote will be."

Representative Moses: "Mr. Speaker, what I am asking you is if this Body intends to pass this motion, this amendment."

Speaker Say: "At this point, I really don't know what the vote will be Representative Moses. So how can I state or respond to you to say that? All I am saying to you is I don't know what the vote will be on this proposed floor amendment."

Representative Moses: "And if the vote is ..."

Representative Saiki rose to a point of order, stating:

"Mr. Speaker, point of order. I believe the Speaker has already issued a ruling."

Speaker Say: "Yes, I did share it with the Minority Leader that I don't know what the vote will be. If I don't know what the vote will be, how can I presuppose that this is what you want me to do?"

Representative Moses: "I understand that Mr. Speaker, and I am not asking you to guess what the vote might be. I am saying that if the measure passes ..."

Representative Lee rose to a point of order, stating:

"Point of order, Mr. Speaker. The speaker is out of order. The Speaker has made his ruling and he must continue with the speech he was giving."

Representative Bukoski rose to a point of order, stating:

"Point of order, Mr. Speaker. I believe the speaker is asking a second point of information."

Speaker Say: "Okay, let him state his second point of information or inquiry."

Representative Moses: "That was my point, Mr. Speaker. And I asked it. I said, if the intention is to pass this measure, if it were to pass ..."

Representative Kahikina rose to a point of order, stating:

"Mr. Speaker, point of order. I believe that you have given a decision on this point that the Representative has mentioned on the floor."

Speaker Say: "On the first point, yes. But this is his second point. Please proceed Representative Moses."

At 2:36 o'clock p.m., Representative Stonebraker requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:43 o'clock p.m.

At this time, the Chair announced:

"Before us is a floor amendment proposed by Representative Moses. And the Chair recognizes Representative Moses at this time."

Representative Moses continued, stating:

"Thank you, Mr. Speaker. It is my understanding during the recess that if this Body were to pass the measure, and we have no assurance that they would, that they would not take the second step that I asked for and pass it on to the Senate. Therefore, by effectively passing it and not passing it on, they'll be killing the measure, and not appropriating emergency funds that the Governor requested. If that be the case Mr. Speaker, and you can correct me if I am wrong, then I withdraw the amendment."

At this time, Representative Moses withdrew his motion for the adoption of Floor Amendment No. 7.

Representative Saiki rose and stated:

"Mr. Speaker, point of information. That representation was not made during the recess."

Representative Moses: "Mr. Speaker, I believe it was. That is exactly what I heard during the conversation. That they would be happy to move this measure along, and then it would die because it would not go over to the Senate."

Representative Saiki: "Mr. Speaker, point of information. That representation was not made during the recess."

Representative Thielen then rose and stated:

"Mr. Speaker, based upon what my colleague understood to have been said during the recess, I withdraw my second."

Representative Thielen then withdrew her second for the motion to adopt Floor Amendment No. 7.

The Chair then announced:

"Members, before this House was a motion for a floor amendment and the sponsor of the floor amendment has moved to withdraw that motion, and the second by Representative Thielen. So, we are now back to the main motion."

MAIN MOTION

Representative Moses rose and stated:

"Thank you, Mr. Speaker. Again, I want to pass out the information that this is not additional funds that the Governor's office is asking for. This is the funds that she is required to have to operate the Office of the Governor. Our Governor. The Governor of all the people of Hawaii. She had already offered to reduce the staff from 70 to 66, and the 5% reduction that she asked of the other departments. That is \$116,000."

The Chair addressed Representative Moses, stating:

"Representative Moses, excuse me. What is your position on the House Bill before us? Is it in support with reservations?"

Representative Moses responded, stating:

"I am in support with grave reservations. The '04 reduction that she agreed to take is \$176,000. But we are talking about just operating the Governor's office between now and until June 30th of this year. This is an emergency appropriation, which should have been funded at the beginning of the Session like other emergency actions are. Now we are asking the Governor of our State to do all things that the people of the State elected her to do with no funding. I think it's a disgrace upon this Body."

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

"Mr. Speaker, I rise in support of HB 1077, HD 1. Thank you, Mr. Speaker. Before beginning, I guess certainly I think there are a lot of political sensitivities in this hall and that goes without being said. However, it is somewhat unfortunate that when we try to inject partisan politics into the discussion on the merits on any measure, because I have heard things said like, 'slash her budget' meaning the Governor's budget. And a characterization that this is all partisan behavior. I think that if we are going to do our job, and this is in a responsible way and if we are going to be accountable to the people of Hawaii ..."

Representative Pendleton rose and stated:

"Point of inquiry, Mr. Speaker. Does the speaker not believe that a 50% reduction is slashing of a budget?"

The Chair responded, stating:

"Representative Pendleton, I believe the Chair of the Finance Committee will explain it to the Members of this Body as far as the bill that is before us on the appropriation measure. Please proceed Representative Takamine."

Representative Thielen rose to a point of order, stating:

"Mr. Speaker, thank you. Point of order. Does the speaker not believe that slashing our first Republican woman ... Let me try that again. Does the speaker not believe that slashing our first Republican Governor's budget, first Republican Governor in 40 years, is not partisan?"

The Chair responded, stating

"Representative Thielen, that is not the point. Please proceed, Representative Takamine."

Representative Takamine continued, stating:

"But I do recognize the fact Mr. Speaker, that injecting partisan politics into any discussion, on any measure, probably does not help it. Therefore I will do my best to be sensitive to those concerns and try to address this measure in as straightforward a manner as I can.

"Mr. Speaker, I would like to provide some perspective on this bill. The measure is a request by the Governor to add resources to her budget for the current fiscal year. The additional request was to add \$1 million to her budget, and to add a \$141,000 to the Lt. Governor's budget. Now, I think it is important to understand that the Governor's office already has funding resources. And her budget for this fiscal year Mr. Speaker, even without the reduction reflected in HD 1, from \$1 million to \$508,000, even without that reduction, it will add up to \$2.9 million dollars. Therefore, with the addition of the \$508,000, you really take the level of her budget up to \$3.4 million dollars. I think that is important because there appears to be some misinterpretation of what we are dealing with, and what the fiscal impact, the adjustment in HD 1, actually is.

"Now, with that having been said, Mr. Speaker, I think it is also important to note that what Governor Lingle did do, during the budget briefings, is ask for 65 full-time positions. What I want to do is to confirm to every Member of this Body, that HD 1 will provide to her 65 full-time positions. Just so that we keep the record straight Mr. Speaker, what the previous administration had at the end of their term, was 67.5 full-time positions.

"Mr. Speaker, I do want to underscore that we believe that the Governor has a very important job to do. And we want her to have the resources to be able to do it well. Therefore, we provided her with funding that essentially allows the same level of staffing in the Governor's office to continue, and which is based on the number of positions that the Governor requested. Having said that Mr. Speaker, I would like to clarify the reasons for the adjustments from \$1 million to \$508,141. First, a reduction of \$48,947 was the result ..."

Representative Hamakawa rose to yield his time, and the Chair "so ordered."

Representative Takamine continued, stating:

"First, a reduction of \$48,947 was the result of the Governor's office updating our Committee with its expenditure projections. Based on information provided by the Governor's office, this amount would not be necessary. That was first.

"Second, a reduction of a \$168,000 was over-budgeted vacation pay-out. This was first identified by the Governor's office as a \$214,000 item. And this was by a memo dated January 30. This was, subsequently, by memo dated February 9th, dropped to \$46,000.

"Third, a reduction of \$93,500 was made for furniture for the Governor's new home.

"And fourth, a reduction \$181,412 was made to account for the 5% budget cut which the current administration asked of all the Departments and Agencies. Mr. Speaker, this amount includes the \$116,999 that the Governor's office voluntarily accepted as their 5% cut. However, the \$181,412 represents an additional \$64,413 reduction, which results from applying the 5% cut to the larger base. Of course, the larger base being the additional resources that are available to the Governor's office.

"Mr. Speaker, with respect to the reduction in the Lt. Governor's office. Originally \$141,000 was requested in the emergency bill. This HD 1 reflects an adjustment to \$121,736 now. What this reflects is a reduction of \$19,264 for the Lt. Governor's office. And when we initially went over the justification submitted by the Lt. Governor's office, it appeared that there was an attempt to restore the 2% cuts that were imposed during the past legislative Session. The Committee did not feel that it was consistent or fair to restore the 2% cut only to the Office of the Lt. Governor, and that was the basis for that adjustment.

"Mr. Speaker, many Members of this Body have talked about transparency of government operations and of government decisions. Therefore, in keeping with the same spirit, I would ask permission to insert into the Journal, memoranda and other documents that reflect the basis for the adjustments that were made to the measure before us," and the Chair "so ordered."

"Thank you very much, Mr. Speaker. Mr. Speaker, as indicated earlier, every dollar used for staffing needs means one dollar less for our children in school, or one dollar less for any other human need. Therefore, your Committee on Finance attempted to carefully scrutinize each emergency bill and to carefully prioritize all of the needs. Mr. Speaker, we know that prioritizing is not always easy, but it is our job. And HB 1077, HD 1, reflects our best efforts to strike the right balance."

Representative Takamine submitted the following memoranda and documents:

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EXECUTIVE CHAMBERS
HONOLULU

January 30, 2003

LINDA LINDALE
SECRETARY

RECEIVED

2003 MAR -1 P 3:43

CLERK OF THE OFFICE
OF REPRESENTATIVES

MEMORANDUM

TO: Representative Dwight Takamine, Chair
House Committee on Finance

FROM: Bob Awana, Chief of Staff
Office of the Governor

SUBJECT: Request for Information
FB 2003-2003 Executive Biennium Budget

Thank you for your memo of January 24, 2003 requesting information as a follow-up to my testimony before the House Committee on Finance on January 22, 2003. Your questions on subject matter are listed below along with the attendant response to each.

1. December 20, 2002 RE: FB 2003-2005 Executive Biennium Budget Preparation
 - a. Totals for Department FY 03 budget with restrictions (if any) and FY 04 and FY 05 proposed adjustments by method of funding.
Response: Please refer to attachment A, A-1 and A-2.
 - b. Summary of FY 03 proposed budget adjustments
Response: Please refer to attachment A-1.
 - c. Summary of FY 04 and FY 05 proposed budget adjustments.
Response: Please refer to Attachment A-2. Also note that reductions are not yet final. We still need to identify an additional \$59,369, making the 5% budget reduction \$176,368.
 - d. Identify Emergency Requests (by title and amount) that your department will be seeking for current fiscal year.
Response: Please refer to Attachment A.
 - e. Please discuss specific budget adjustments of concern for your agency.
Response: None.
2. December 30, 2002 RE: Request for Non General Fund Information.
Response: Please refer to attached Form 37-47 2003 Gov.xls

Governor's Office Response to Budget Inquiry
January 30, 2003
Page 3

8. The FY 03 restriction on a base budget of \$2,342,141 is \$116,999. Please indicate how the Office of the Governor plans to meet this restriction. If the Office of the Governor receives the entire emergency appropriation, it does not appear that a restriction would have been taken. Please explain further.
Response: Please refer to Attachment A, and A-1.
9. In your verbal testimony you indicated that the Office of the Governor is subject to the hiring freeze; please describe how the Office of the Governor would implement this directive. Please indicate which positions this hiring freeze would affect, and which positions it would not affect.
Response: I am sorry, however my testimony was in error. The Governor and Lieutenant Governor's offices are not subject to the hiring freeze as we took office with no staff whatsoever.
10. For FY 04 & 05 the budget request is for \$993,676 each year. Please indicate whether this request will be reduced to reflect recurring appropriation reductions. Please indicate whether the new request will reflect a 5% reduction from a base budget of \$3,527,359, which would be \$176,368. If so, please indicate how the Office of the Governor would address this reduction.
Response: Please refer to Attachment A-2.
11. In your verbal testimony you indicated that the Office of the Governor paid for the TVs and chairs in the rotunda during the Governor's State of the State Address. Please provide a breakout of the expenses for this event. Please indicate each cost item and the amount for each cost item as well as a total for the event.
Response: Please refer to Attachment C. Upon further review I learned that the costs for this event are out of the privately generated Inauguration Fund.
12. In your verbal testimony you indicated that some of the emergency appropriation would be used to purchase furniture for the Governor's residence. Please provide a cost breakout for these planned expenditures.
Response: Please refer to Attachment A, which reflects that all of the emergency appropriation is earmarked for personnel services. Funding for the purchase of furniture, fixtures and equipment (FF & E) at the Governor's residence will come from savings in other current expenses. Please note that all FF & E paid for with taxpayer monies are the property of the State and will remain for the use of future governors.

Chair Takamine, I want you to know that we certainly appreciate your patience and understanding in this matter. Please feel free to contact me if you have any questions.

Governor's Office Response to Budget Inquiry
January 30, 2003
Page 2

3. Please indicate the balance of operating costs available when the new administration took office on December 2, 2002.
Response: Please refer to Attachment A.
4. Please provide a spread sheet showing what positions have been established, with position number, whether they are permanent or temporary, position title, indicate their full time equivalency count, annual salary and date of hire.
Response: Please refer to Attachment B. As of this writing, I do not have all the dates of hire. Regrettably our Fiscal Officer has been out sick with pneumonia since January 24th. We will provide that to you upon her return.
5. Please provide a list of all positions that are on loan to the Office of the Governor. Please indicate the length of the loan, from what Department they have been loaned & the function the loaned personnel will play in the Office of the Governor.
Response: Please note information in table below.

Name	Title	Length	Dept.	Function
Francis Lum	Chief of Protocol	To 12/31/03	DOO	Plans, coordinates and implements all functions involving matters of protocol.
Dr. Pearl Imada Ibooshi	Senior Researcher	To 6/30/03	DBEDT	Plans, coordinates and implements research and analysis.
Randy Roth	Senior Advisor - Policy	Undefined	UH	Advises the Governor on all matters related to the formation of policy.

6. Your verbal testimony indicated that you are now fully staffed. Therefore please provide the total number of personnel working in the Office of the Governor for the balance of FY 03.
Response: Please refer to Attachment B.
7. Emergency appropriations can take some time to pass, please indicate the date when the Office of the Governor will have no fund available for personnel costs. Please indicate if there are any contingency plans to meet personnel costs until the emergency funds are available. If so, please provide this plan.
Response: Please refer to Attachment A. The lower half of Attachment A reflects that with no emergency funding we will run out of funds to cover personnel expenses sometime in February. At that point, we will be forced to cut virtually all of our staff.

OFFICE OF THE GOVERNOR

	Personnel Services	Other	Total
FY 03 Appropriation	1,551,363	795,778	2,347,141
Vacation Pay Transfer	350,000	0	350,000
Coll Barg Transfer	241,542	0	241,542
Emergency Appn	923,676	0	923,676
TOTAL	3,156,581	795,778	3,952,359
FY 03 Spending	1,393,598	232,074	1,625,672
Q1&2	1,248,505	480,000	1,708,505
Est Q3&4	214,000	0	214,000
Q3 Vacation Pay Out	0	285,182	285,182
AP Outstanding	2,857,104	968,298	3,816,399
TOTAL	279,477	-182,478	116,999

WITHOUT EMERGENCY APPROPRIATION

	Personnel Services	Other	Total
FY 03 Appropriation	1,551,363	795,778	2,347,141
Vacation Pay Transfer	350,000	0	350,000
Coll Barg Transfer	241,542	0	241,542
TOTAL	2,142,905	795,778	2,938,683
Q1&2 Spending	1,393,598	232,074	1,625,672
Q3 Vacation Pay Out	214,000	0	214,000
Est Q3 (3 months of expenses)	654,753	230,000	884,753
AP Outstanding	0	285,182	285,182
TOTAL	2,262,351	757,256	3,019,607
APPROPRIATION LESS SPENDING	-86,445	67,522	-21,923

ATTACHMENT "A"



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

February 7, 2003

TO: Representative Dwight Y. Takamine, Chair
House Committee on Finance

FROM: Bob Awana, Chief of Staff
Office of the Governor

RE: Response to Requests for Information

Thank you for memo dated February 4, 2003. Your questions are listed below with their associated responses.

1a. Details regarding the vacation payout planned for the third quarter of FY03.

Our records indicate that \$349,380.50 in vacation payout has been processed through the second quarter of FY03.

Third quarter vacation payouts is estimated at an additional \$46,000.

1b. Details regarding the planned other current expenses for the third and fourth quarters. Other current expenses for the first two quarters totaled \$232,074, and \$460,000 of other current expenses are planned for the last two quarters. Please provide details on the planned expenditures. Please indicate each individual cost item and the amount budgeted for each item.

A more accurate representation of other current expenses incurred through the first and second quarters would be the \$232,074 plus the outstanding AP of \$266,182 totaling \$498,256.

See Attachment A for detailed breakdown estimate of other current expenses for FY03. The Office of the Governor is financially responsible to reasonably work within the existing budget structure, and is committed to showing fiscal restraint.

FEB 11 2003



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

Page 2 of 2

Other Current Expenses not previously budgeted include such items as furnishings for the Governor's Mansion. These are items that would belong to the State and remain in the Governor's Mansion. The current administration prefers not to solicit donations in order to reduce public perception of Government "favors".

1c. Please provide details on how the \$1,249,506 for personal services was estimated for the last two quarters of FY03.

See below answers to parts 1 and 2 below.

Please indicate each individual position title, as well as amount budgeted for the remainder of FY03 for each individual position.

See Attachment B.

Please indicate whether the position is currently vacant or filled, and if filled, the date of hire.

See Attachment B.

1d. Please provide an explanation and details regarding the "AP" outstanding expenditures planned for the last two quarters of FY03

The AP Outstanding (\$266,182) of Attachment A of our response dated January 30, 2003 refers to items that were outstanding for payment when we came into office. These items were in various stages of processing in the AP system, but not yet showing on the FAMS report.

2a. The Governor's Message dated January 30, 2003 indicated that there is a request for a reduction from the Governor's Office in the amount of \$116,999 for each fiscal year of the biennium.

Please indicate how the Governor's Office determined the amount of this reduction.

The 3% reduction of \$116,999 was provided by the Department of Budget and Finance was intended for FY03 only.



EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

Page 3 of 3

The computation for this amount is as follows:

\$2,342,141* (appropriations) - \$2,167 (non-discretionary funds for Risk Management) = \$2,339,974
x 5% = \$116,999

* Appropriation of \$2,347,141 minus \$5,000 private donation for Governor Cayetano's portrait.

There is also a request to increase the appropriation for the Governor's Office in the amount of \$993,676 for each year of the biennium. Please indicate if this additional amount was included in the calculation of the \$116,999 amount proposed for reduction.

The \$116,999 does not include the increase in appropriation.

If the \$993,676 was not factored in, please indicate the amount that should be reduced from the Governor's Office in order to remain consistent with the Administration's proposed 5% reduction amounts for FY04 and FY05.

The 5% reduction for the Governor's Office would be \$166,683 with an additional appropriation of \$993,676.

2b. The Governor's Message dated January 30, 2003 provides details regarding the reduction for FY04 and FY05. The item reducing the Washington Place reduction does not contain a position reduction. Please explain the difference between the message and the details you have provided the Committee.

The Governor's Message dated February 3, 2003 reflects the reduction of two positions. Please see Attachment C.

I would like to thank you and the House Committee on Finance for your time. We would be pleased to provide any additional information you may require.

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FY03 Q3 and Q4 Draft Budget
Office of the Governor

Prog ID/Obj	Line No.	Item Description	Object Code	FY 2003 Q3 & Q4
GOV100AA	001	SERVICES ON A FEE BASIS	2900	
GOV100AA	001	SERVICES ON A FEE BASIS (MANAGEMENT TRAI	2900	
GOV100AA	072	SPECIAL MASTER FOR CORRECTIONS	3900	
GOV100AA	008	MOTOR VEHICLE GAS & OIL	3100	2,850
GOV100AA	062	MAINTENANCE-MATERIALS, SUPPLIES & PARTS	3200	8000
GOV100AA	017	OFFICE SUPPLIES	3300	5,145
GOV100AA	018	PROVISIONS(NOT FOR RESALE)	3400	25,700
GOV100AA	021	DUES & SUBSCRIPTIONS	3500	1,888
GOV100AA	022	FREIGHT & DELIVERY CHARGES	3600	
GOV100AA	023	POSTAGE	3700	9156.5
GOV100AA	024	TELEPHONE & TELEGRAPH	3800	22,000
GOV100AA	025	PRINTING & BINDING	3900	10000
GOV100AA	052	PRINTING AND BINDING	4000	
GOV100AA	053	ADVERTISING	4100	5,000
GOV100AA	027	CAR MILEAGE	4200	38,500
GOV100AA	028	TRANSPORTATION, INTRASTATE	4300	0
GOV100AA	029	SUBSISTENCE ALLOWANCE, INTRASTATE	4400	33,250
GOV100AA	030	TRANSPORTATION, OUT-OF-STATE	4500	6,250
GOV100AA	031	SUBSISTENCE ALLOWANCE, OUT-OF-STATE	4600	7,547
GOV100AA	064	HIRE OF PASSENGER CARS	4800	0
GOV100AA	034	OTHER TRAVEL	5000	2,000
GOV100AA	035	ELECTRICITY	5200	0
GOV100AA	037	WATER	5400	3,150
GOV100AA	038	OTHER UTILITIES	5500	7,500
GOV100AA	040	RENTAL OF LAND & BUILDING	5600	28,065
GOV100AA	041	RENTAL OF EQUIPMENT	5700	0
GOV100AA	065	OTHER RENTALS	5800	5,069
GOV100AA	043	R & M-OFFICE FURNITURE & EQUIPMENT	5900	1,084
GOV100AA	052	INSURANCE	7100	64,400
GOV100AA	066	SERVICES ON FEE BASIS (NON-STATE)	7200	10,300
GOV100AA	063	MISCELLANEOUS CURRENT EXPENSES	7100	0
GOV100AA	093	HEALTH INSURANCE PORTABILITY & ACCOUNTABIL	7200	0
GOV100AA	056	REINVENTING GOVY "BENCHMARKING SYSTEM"	7200	0
GOV100AA	060	RELOCATION TO STATE TOWER OFFICE	7200	0
GOV100AA	060	CHRISTOPHER COLOMBUS COMMISSION	7200	0
GOV100AA	061	KALAPANA RELIEF PROJECT	7200	0
GOV100AA	067	MARTIN LUTHER KING CELEBRATION	7200	0
GOV100AA	068	FATHER DAMIEN CELEBRATION	7200	0
GOV100AA	069	GUBERNATORIAL TRANSITION	7100	0
GOV100AA	090	PEARSON PROG-FOREIGN SERVICES OFFICER	7200	0
GOV100AA	054	PORTRAIT UNVEILING CEREMONY	7200	0
GOV100AA	091	INFORMATION TECHNOLOGY - STATEWIDE	7200	0
GOV100AA	082	SPECIAL ADVISOR & COUNCIL - TECH DEVELOP	7300	0
GOV100AA	071	INTEREST ON LATE PAYMENT	7700	0
GOV100AA	072	EQUIPMENT	7200	0
GOV100AA	064	GOVERNORS PORTRAIT	2900	0
GOV100AB	001	SERVICES ON A FEE BASIS	3000	0
GOV100AB	002	JANITORIAL SUPPLIES	3200	0
GOV100AB	017	OFFICE SUPPLIES		

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Prog ID/Obj	Line No.	Item Description	Object Code	FY 2003 Q3 & Q4
GOV100AB	018	PROVISIONS(NOT FOR RESALE)	3300	12,000
GOV100AB	020	OTHER SUPPLIES	3400	100,500
GOV100AB	021	DUES & SUBSCRIPTIONS	3500	250
GOV100AB	021	DUES & SUBSCRIPTIONS	3600	250
GOV100AB	024	TELEPHONE & TELEGRAPH	3800	0
GOV100AB	025	PRINTING & BINDING	3900	0
GOV100AB	038	GAS	5100	2,700
GOV100AB	041	RENTAL OF EQUIPMENT	5700	0
GOV100AB	042	OTHER RENTALS	5800	0
GOV100AB	043	R & M-OFFICE FURNITURE & EQUIPMENT	7100	0
GOV100AB	064	SERVICES ON FEE BASIS (NON-STATE)	7200	9,200
GOV100AB	053	MISCELLANEOUS CURRENT EXPENSES	7200	15000
GOV100AC	064	CONFERENCE FUND	2900	0
GOV1029B	001	SERVICES ON A FEE BASIS	3200	900
GOV1029B	017	OFFICE SUPPLIES	3300	0
GOV1029B	018	PROVISIONS(NOT FOR RESALE)	3400	0
GOV1029B	019	EMPLOYEE MEALS(NON-COMPENSATORY)	3500	1,050
GOV1029B	021	DUES & SUBSCRIPTIONS	3600	0
GOV1029B	022	FREIGHT & DELIVERY CHARGES	3700	100
GOV1029B	023	POSTAGE	3800	800
GOV1029B	024	TELEPHONE & TELEGRAPH	3900	1,625
GOV1029B	025	PRINTING & BINDING	4100	1,805
GOV1029B	027	CAR MILEAGE	4200	200
GOV1029B	028	TRANSPORTATION, INTRASTATE	4300	0
GOV1029B	029	SUBSISTENCE ALLOWANCE, INTRASTATE	4400	1,180
GOV1029B	030	TRANSPORTATION, OUT-OF-STATE	4500	0
GOV1029B	031	SUBSISTENCE ALLOWANCE, OUT-OF-STATE	4600	0
GOV1029B	032	HIRE OF PASSENGER CARS	4800	400
GOV1029B	041	RENTAL OF EQUIPMENT	5900	0
GOV1029B	049	R & M-GROUNDS-ROUTINE MAINTENANCE	7100	14,000
GOV1029B		SERVICES ON A FEE BASIS	7200	3,445
GOV1029B	053	MISCELLANEOUS CURRENT EXPENSES	7200	0
GOV1029B	054	MISC CURR EXP-CLK TYP III POSITION	7300	0
GOV1029B	055	INTEREST ON LATE PAYMENTS		0
				\$ 480,000.00

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PERSONAL SERVICES
FORECAST FY03
QUARTERS THREE AND FOUR

Position Title	Salary	FY03 Third and Fourth Quarters	Hire Date
PERSONNEL PROGRAM OFFICER	\$ 67,008.00	\$ 33,504.00	continuous
HOUSEKEEPER	\$ 26,000.00	\$ 13,000.00	12/2003
HOUSEKEEPER	\$ 26,000.00	\$ 12,458.33	18/2003
HOUSEKEEPER	\$ 50,000.00	\$ 25,000.00	12/2/2002
EXECUTIVE SECRETARY	\$ 94,780.00	\$ 47,390.00	12/2/2002
GOVERNOR	\$ 26,000.00	\$ 8,000.00	vacant est start 3/1
HOUSEKEEPER	\$ 30,000.00	\$ 15,000.00	12/29/2002
SECRETARY I	\$ 50,000.00	\$ 25,000.00	12/2/2002
SCHEDULER	\$ 50,000.00	\$ 25,000.00	12/2/2002
MANAGER, BUSINESS SERVICES	\$ 45,000.00	\$ 21,862.50	1/17/2003
MGR. BOARDS & COMMISSIONS	\$ 36,000.00	\$ 18,000.00	12/7/2003
ADMIN SERVICE OFFICER	\$ 55,000.00	\$ 27,500.00	12/2/2002
EXECUTIVE ASSISTANT	\$ 40,000.00	\$ 20,000.00	12/18/2002
EXECUTIVE SECRETARY	\$ 40,000.00	\$ 20,000.00	12/23/2002
EXECUTIVE ASSISTANT-CABINET	\$ 60,000.00	\$ 30,000.00	12/23/2002
DEPUTY CHIEF OF STAFF	\$ 42,000.00	\$ 21,000.00	1/2/2003
LIASON OFFICER - HILO	\$ 48,000.00	\$ 24,000.00	12/18/2002
COOK	\$ 55,000.00	\$ 25,208.33	1/17/2003
SPECIAL EVENTS COORD	\$ 32,600.00	\$ 16,280.00	12/30/2002
NATL-INTL MEDIA LIASON	\$ 80,000.00	\$ 40,000.00	1/1/2003
CHIEF NEGOTIATOR	\$ 80,041.00	\$ 40,020.50	12/2/2003
CHIEF OF STAFF	\$ 38,800.00	\$ 19,400.00	1/2/2003
BILL TRACKER	\$ 35,000.00	\$ 17,500.00	1/13/2003
RESEARCH ASST	\$ 38,000.00	\$ 19,000.00	12/30/2002
INFORMATION SPECIALIST - BR.	\$ 40,000.00	\$ 19,998.87	1/7/2003
EXECUTIVE ASST.	\$ 42,000.00	\$ 20,125.00	1/8/2003
LIASON OFFICER - KAUAI	\$ 40,000.00	\$ 20,000.00	1/3/2003
EXECUTIVE SECRETARY	\$ 25,000.00	\$ 12,500.00	12/2/2002
INFO CLERK			

PERSONAL SERVICES
FORECAST FY03
QUARTERS THREE AND FOUR

Position Title	Salary	FY03 Third and Fourth Quarters	Hire Date
RECEPTIONIST	\$ 28,000.00	\$ 13,416.87	1/8/2003
INFORMATION SPECIALIST	\$ 35,000.00	\$ 17,500.00	12/2/2002
CAPITOL TOURS COORDINATOR	\$ 25,000.00	\$ 11,978.17	1/8/2003
LEGISLATIVE COORD	\$ 22,388.00	\$ 10,726.83	1/8/2003
ADMINISTRATIVE ASST - WASH PL	\$ 30,000.00	\$ 14,375.00	1/8/2003
SPECIAL ADVISOR FOR TECH DEV	\$ 98,498.00	\$	vacant
CLERK	\$ 24,000.00	\$ 11,500.00	1/8/2003
CLERK	\$ 24,000.00	\$ 6,900.00	vacant est start 3/1
CLERK	\$ 24,000.00	\$ 12,000.00	1/2/2003
CLERK	\$ 24,000.00	\$ 12,000.00	1/2/2003
		\$ 1,323,862.78	

PERSONAL SERVICES
FORECAST FY03
QUARTERS THREE AND FOUR

Position Title	Salary	FY03 Third and Fourth Quarters	Hire Date
MANAGER, WORKFLOW SYSTEMS	\$ 50,000.00	\$ 25,000.00	continuous
LEGISLATIVE COORDINATOR	\$ 30,000.00	\$ 15,000.00	12/2/2003
EXECUTIVE SECRETARY	\$ 33,500.00	\$ 16,750.00	12/2/2003
PERSONNEL SPECIALIST	\$ 45,000.00	\$ 20,000.00	1/14/2003
RECEPTIONIST	\$ 28,000.00	\$ 14,000.00	12/2/2002
INFO SPECIALIST	\$ 30,000.00	\$	vacant
DEPUTY CHIEF NEGOTIATOR	\$ 60,000.00	\$ 28,250.00	1/18/2003
LIASON OFFICER - MAUI	\$ 22,800.00	\$ 11,400.00	1/2/2003
SPECIAL ASST TO GOV-WASH PL	\$ 96,000.00	\$ 33,000.00	12/2/2002
MANAGER - BR RESEARCHER	\$ 50,000.00	\$ 20,833.33	2/8/2003
DIRECTOR OF COMMUNICATION	\$ 75,000.00	\$ 37,500.00	12/2/2002
LIASON OFFICER - KONA	\$ 42,000.00	\$ 21,000.00	1/2/2003
CURATOR - WASH PL	\$ 55,000.00	\$ 27,500.00	continuous
VOLUNTEER PROGRAM COORD	\$ 30,000.00	\$	vacant
INFORMATION SERVICE COORD	\$ 38,000.00	\$ 17,500.00	1/13/2003
DEPUTY CHIEF OF PROTOCOL	\$ 44,000.00	\$ 21,063.33	1/8/2003
COMMUNICATIONS MANAGER	\$ 59,750.00	\$ 29,875.00	12/28/2002
SECRETARY II	\$ 38,000.00	\$ 19,000.00	12/2/2003
CHIEF - MEDIA RELATIONS	\$ 59,750.00	\$ 29,875.00	12/28/2002
EXECUTIVE ASST.	\$ 50,000.00	\$ 25,000.00	1/2/2003
MANAGER OF COMM. SERVICES	\$ 50,000.00	\$ 25,000.00	12/9/2003
ASST - MEDIA RELATIONS	\$ 24,000.00	\$ 11,800.00	1/8/2003
LEGISLATIVE COORDINATOR	\$ 30,000.00	\$ 15,000.00	1/2/2002
MANAGER OF OFF INFOR SVC	\$ 45,000.00	\$ 22,500.00	12/2/2002
SECRETARY II	\$ 40,000.00	\$ 20,000.00	1/18/2003
INFO SYSTEMS COORDINATOR	\$ 40,000.00	\$ 17,916.87	1/17/2003
SECRETARY I	\$ 30,000.00	\$ 15,000.00	1/17/2003
INFORMATION SPECIALIST	\$ 30,000.00	\$ 13,780.00	1/8/2003
INFORMATION SPECIALIST	\$ 30,000.00	\$ 14,375.00	1/8/2003
INFORMATION SPECIALIST	\$ 30,000.00	\$ 13,780.00	1/17/2003

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EXECUTIVE CHAMBERS
HONOLULU

LINDA LINGLE
GOVERNOR

February 20, 2003

TO: Kate Stanley
Budget Analyst

FROM: Bob Awana
Chief of Staff

RE: Response to Request for Information

This is in response to your request for information dated February 12, 2003:

- In the memo to Chair Takamine dated January 30, 2003 the Governor's Office stated that personal services would cost \$1,249,566. In the memo to Chair Takamine dated February 7, 2003 and received in the late afternoon of February 11, 2003 the amount stated for personal services is \$1,323,882. Please explain the difference.

The initial personal services amount of \$1,249,566 was noted as an estimate. The current estimate of \$1,323,882 is based on an updated estimate of personal services to date. Because all personnel have not been hired thus far, the current estimate is based on projected start dates.

- In the memo dated February 7, 2003 and received in the late afternoon of February 11 Attachment A provides a breakout of the \$460,000 requested for other current expenses.

Please provide an explanation and breakout for the \$26,700 planned expenditure for other supplies reflected in line 20 for GOVIAA Object Code 3400.

This account is primarily required to fund the Governor's protocol program. Approximately half of the projected \$26,700 will be used for protocol mementos, leis and flowers, and provides a similar level of expenditures as the previous Administration with some additional amounts because of transition activities.

Family Room (sectional unit, chair)	\$4,000
Lamps (6)	\$400
Bedroom Furniture (3 rooms)	\$10,000
Re-upholster / Refurbish Various Used Furniture (2 full size sofas, 2 hassocks, 12 dining chairs, refinish dining room table and chairs and bench, two settees)	\$25,000
Miscellaneous Pieces	\$0,900
• Additional furniture for 4 th bedroom	
• Armoire	
• Chairs	
• Tables / Bookcases	
• Deck furniture	

Please call or write if you require any further information.

Page 2 of 2

The remaining amounts will be used to procure items that are required to accommodate the total change in Administration and staff. It is projected that approximately \$11,000 will be used for computer hardware and software upgrades, replacing broken or missing parts on current equipment, stocking first aid kits per DOH recommendations, and other items required to make the Office fully functional.

Please provide an explanation and breakout for the \$64,000 planned expenditure for services on fee basis (non-state) in line 86 for GOVIAA Object Code 7100.

Funds budgeted under the services on fee basis were used by the previous Administration to primarily contract for services to provide the State a presence in Washington D.C. While the exact nature and type of services has not been determined, the Administration intends to continue and expand efforts to ensure that the State's priorities and positions are effectively conveyed and reiterated to all members of Congress and the White House.

Please provide an explanation and breakout for the \$100,500 planned expenditure for other supplies reflected in line 20 for GOVIAA Object Code 3400.

This line item was previously used to fund expenses that are normally required to maintain and operate a household. Approximately \$10,000 is required to continue the same level of previous expenditures.

In addition, the new Washington Place residence is totally unfurnished. Funds are therefore required to provide basic household furniture and equipment. Projected expenditures include the following:

Washer and Dryer	\$1,700
Window Coverings (38 windows and 7 doors)	\$8,500
Rugs and Floor Coverings (4 rooms) 12 x 18	\$29,000
Mattresses and Frames (4 sets)	\$2,500
Entertainment Center	\$2,500

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Representative Moses responded, stating:

"Thank you, Mr. Speaker. Our Finance Chair has the luxury of having all those figures, which are never presented to us in the Finance Committee. We don't see line by line exactly where any money goes or come from. What we do know is the previous Governor's budget was slashed by a third. He got two-thirds his normal budget. He spent most of that before the new Governor took office. That is all we are asking for, is the money to function between now and June 30th of this year. Thank you very much, Mr. Speaker."

Representative Takamine responded, stating:

"Briefly in rebuttal. Mr. Speaker, I think what we say goes into the Journal. It is an important part of the public discussion and that is why accuracy, accuracy is very important. When I talked about transparency, I meant it. The memoranda that we will be submitting as part of the Journal was all the memorandum that we passed out to each member of the Finance Committee during decision making. So every member of the Finance Committee had all the information that I referenced, and that will be submitted to the Journal.

"Secondly, Mr. Speaker. Again, when we use loose language, a lot of times it can be misinterpreted and that is why I believe it is our responsibility to be careful about what we say. When we say things like, "Cayetano spent most of the money." Again, it creates a certain impression that, if not accurate, it is very misleading and does nothing to improve the quality of the work we do. That statement is really misleading, Mr. Speaker.

"In fact, in one of the memorandums date January 30, 2003, Bob Awana, Chief of Staff of the Governor's office, provides to us what amounts were spent by the previous administration in the previous two quarters, and then provides an assessment of what the need will be for the next two quarters. And this is from Attachment A, which will be part of the memoranda that all Finance Committee members have, and that we will be providing to the Journal also. It indicates that for staffing needs in '03 of this current year, the previous administration spent \$1.6 million. In fact, it is \$1,625,672. What was asked by the current Administration, for the third and fourth quarters amounted to approximately \$2.2 million. If we were to pass HD 1 in its current form, with the \$508,000 going to the Governor's office, this will be sufficient to meet these needs. Thank you, Mr. Speaker."

Representative Fox rose and stated:

"Thank you, Mr. Speaker. Very quick. I am somewhat confused by the discussion of two subjects, and any clarifications that could be provided, I would appreciate. One is the question of staffing needs, and the other is the total budget. One is the smaller part of the larger picture. This is the way it looks to somebody from outside the Finance Committee.

"We passed the budget last year. One section of that budget got a tremendous hit, that was the Office of the Governor. The rest of the departments were basically funded at higher levels for the current year than they were in the prior years. So it is a very important fact to start off with. That the Office of the Governor was given only two-thirds the funding that was expected to carry it through the year.

"The second fact that I see from outside Finance is that there was a delay in the handling of this emergency request. Somehow, this emergency request ended up at the bottom of the last page of our regular, final Order of the Day, that cleared bills that had to get over to the Senate, or they would die. So

somehow, emergency clearly became non-emergency in the most dramatic way possible.

"Number three, from what I see, from outside the context of the Finance Committee, is the request by the Governor for an amount of money was cut in half. Cut by 50%, which is way out of proportion to all other cuts that the Finance Committee is discussing in relation to any other Department.

"From the perspective of somebody outside the Finance Committee, point number four I see, is that we debated this item too late on Tuesday to actually consider an amendment that would fix the issue. We basically set up the calendar in such a way that this amendment had to die ..."

Representative M. Oshiro rose to a point of order, stating:

"Point of order, Mr. Speaker. I believe the current speaker is alluding to the motives of the Speaker, and that is improper."

The Chair responded, stating

"Your point is well taken. Representative Fox, the Chair did not get involved."

Representative Fox responded, stating:

"I will try to readdress it, but I certainly am not questioning the motives of anybody."

Representative Lee rose and stated:

"Point of information. I don't know whether that the speaker is speaking with reservations, or against the motion. What is his ...?"

The Chair responded, stating:

"He is in support with reservations."

Representative Fox continued, stating:

"Thank you. Thank you, Mr. Speaker. Basically, I was just trying to describe the facts as they look to somebody on the outside. That basically the thing was so late that we weren't able to deal with an amendment effectively. So I think that is it. Those are the four facts that I wanted to draw out. Thank you, Mr. Speaker."

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

"The fact of the matter is, the Speaker asked us time and time again to rush. I am speaking in support of this. And I am answering the question that it was deliberately delayed. It was delayed because nobody would listen to the Speaker."

Representative Pendleton rose to a point of order, stating:

"Point of order. The current speaker is saying that something was deliberately delayed, is quoting words that I don't recall hearing the Minority Leader say."

The Chair responded, stating:

"Your point is well taken. She is alluding to point number four, that it was done intentionally. The answer to all of you is no. And I feel, at this point, very much aggrieved because the remarks of point number four alludes to your Chief Clerk and her staff."

Representative Fox responded, stating:

"If I may be allowed a clarification. It is not so much that it was the last item on the agenda as that we were unable to conclude debate to get through. That is basically the fact. The fact is we couldn't fix it. That's the fact that I meant to say."

The Chair responded, stating:

"The fact of the matter is that the Speaker, to all of you, has been very fair in the deliberations and debate that we have had on this floor. You all knew it was on page 26. You all you knew that I was trying to tell you to fast track the measure that were before us on Tuesday. I made that request to all of you to limit your debate. But if any of you wanted to debate a particular issue, the Chair will allow it.

"If you recall, from pages 20 to 26, I made a request, on behalf of this House, in running it efficiently, that if you had any comments that you wanted to make, for or against, that you insert it into the Journal. It was never the intention to have this particular measure be 'unfinished business'. Because as of this afternoon, we could have been out by 1:30 for our fellowship meeting. But to allude to point four Representative Fox, is very unfounded, because we had a marathon on Tuesday, 15 hours. If you want me to cut off debate on future crossovers and Final Reading, please tell me. The Majority Leader and the Minority Leader. Because I will be open to that, in limiting debate on all issues.

"For the record. It was never intentional. You all knew. And to allude that the Chief Clerk and the staff had, on page 26, I have nothing to do with that. I don't believe they did it maliciously or intentionally, also for the record."

Representative Pendleton rose and stated:

"Mr. Speaker, a point of personal privilege. I don't believe that I, or any of the Members here believe that there was any kind of intentional effort to put it last, or for it to not move. I believe the Minority Leader has simply stated the fact that we didn't have enough time. No attribution of motive or ill will. I don't see that kind of statement being made. I don't believe there was any conspiracy. Bottomline is, we ran out of time, and that is why we are discussing it today. I just wanted to make it clear, at least that is my intention. And I believe that is what my colleague is trying to state."

The Chair responded, stating:

"Representative Pendleton, may I respond? He was stating that the public out there may interpret that what had happen was intentionally by the Speaker. And I am saying it is not. That is why I am asking for this correction to that point."

Representative Fox responded, stating:

"Yes, Mr. Speaker. I would basically say that no motive was intended in terms of where it ended up. The main point I wanted to make is that we were unable to get to it on Tuesday. There is one slight bit of information that was not clarified to me until the very end. That was there was no way, shape or form possible to go past midnight, because the next day was a recess. And we got a ruling on that very late in the evening."

Representative Luke rose and stated:

"Point of clarification. I think that many times throughout the night, we did say we couldn't go over 12:00, so if for any reason, anybody takes the burden of having these two bills happening on Thursday, I think it is the responsibility of everybody in this Chamber to have a lot of discussion and

debate on Tuesday, which forced these two measures to be on Thursday.

"We did inform the Minority Leader many times throughout the evening that we have a 12:00 deadline, and I think Mr. Speaker, you yourself also inform the Members that we do have a 12:00 deadline."

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

"Mr. Speaker I rise with some pretty strong reservations on this measure. To go back to the point of this being an emergency appropriation, I do think that it was kind of strange that as an emergency appropriation it did not come to the floor before the crossover date when we had all that business. In past years, emergency appropriations were treated as if they were emergencies, and they moved right along.

"When we heard this bill in Finance, the decision-making was deferred and it was deferred for quite a number of days. In fact, it was right close to the lateral. When the decision came out and when the Chairman of Finance told us how the bill had been amended, that was really curious to me and I think it is a bona fide concern.

"The other issue, with all this discussion, I may have forgotten the second concern that I have. Well, I just can't remember it. It flashed when I stood up. I had two things to say and I can't remember the second one.

"I would like to say that it was clear to me from the Minority Leader's comments that he was not casting any dispersions against the Clerk who has served us all so very well. Thank you, Mr. Speaker."

At 3:06 o'clock p.m., Representative Takamine requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:10 o'clock p.m.

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

"Thank you, Mr. Speaker. I rise in support of the bill. I just wanted to reiterate some of the comments made by the Finance Chair because I think it is important that we lay the facts out. It is my fifth Session now, and I want to make these points as crystal clear as possible. I actually think that if it were my first or second Session, maybe it would have all been very confusing to me. But I want to make this very clear."

Representative Meyer rose and stated:

"Mr. Speaker, point of inquiry. I don't believe the Representative standing is in his fifth Session. I don't think he was elected in 1994. This is my fifth Session and he was not elected when I was. I think this is fourth Session."

The Chair addressed Representative Meyer, stating:

"Representative Meyer, when he talks about Session, it is the years, and not the terms."

Representative Meyer responded, stating:

"Well, the legislative Session is two years."

Representative Schatz responded, stating:

"The Legislature is a two-year Legislature. There are two sessions per Legislature."

"Anyway, I wanted to try and make sure that everybody knows what numbers we were working with. I actually didn't know what the emergency appropriation entailed, so I sat down and looked at the numbers. I think it is all of our responsibility to describe what is happening accurately."

"First of all, there was a \$950,000 spending plan or \$952,000 spending plan, and a \$1 million appropriation sought. So they are asking for about \$48,000 more than they needed. So you can really take that \$48,000 off the table. That is the easiest saving to find."

"Second, the vacation pay-out. And until about a year ago I didn't understand what vacation pay-out was. So when people turnover, you have to pay out their vacation. And because there was going to be some turnover in the Governor's office, the estimate, and I understand why it would have to be a conservative estimate, as high as possible, initially, was \$214,000. The Governor's office subsequently communicated to us that it was going to be only \$46,000 and I believe that resulted in a \$168,000 in savings, so we are looking at over \$200,000 in savings that really nobody can dispute."

"Then we have \$93,500 dollars in furniture. And I want to speak to this because there is a \$350,000 interdepartmental transfer that hasn't been talked about. That money can be used for the vacation pay-out which will cost about \$46,000. Any money, once it reaches the Governor's office can easily be used for furniture or other supplies. It is not unreasonable for them to find savings and to spend \$5,000, \$10,000, \$15,000, whatever they need, on furniture."

"This is not about furniture. This is about trying to save the taxpayers as much money as possible. And let's be real clear about what is happening. This is not a 50% cut in the Governor's budget. Depending on whether or not you load in collective bargaining, it is about an 8% cut ..."

Representative Moses rose and stated:

"Point of information, Mr. Speaker. I don't remember the discussion about furniture being brought up today."

Representative Schatz responded, stating:

"I think I should be allowed to continue my remarks."

The Chair addressed Representative Moses, stating:

"Representative Moses, before I allow the Representative to proceed, it was in the Governor's request for furniture. Am I not correct?"

Representative Moses: "And it was removed by the Finance Committee."

Speaker Say: "And Representative Schatz will continue on his speech."

Representative Schatz continued, stating:

"Thank you, Mr. Speaker. There is plenty of savings to be had in this originally, \$3.1 million budget. And let's be clear. This is without collective bargaining, and so some of the numbers may differ. But last year's budget would have been \$3.1 million. Now what we are suggesting is about \$2.8 million and some of these numbers are relatively rough still. It is important to know that we are going from \$3.1 million to

\$2.8 million. We are not taking a million dollar budget and cutting it in half. We are taking an emergency appropriation request that would increase the Governor's budget from \$3.1 to \$3.2, and cutting that emergency appropriation request."

"And the final way you get to the \$400,000 approximately in savings is by exacting a 5% cut, which is what we are doing for all State agencies, mostly all State agencies, which amounts to about \$181,000. I challenge anybody to justify keeping in, restoring the 5% cut, restoring the furniture money, putting money toward the vacation pay-out that is unnecessary, or giving any agency \$48,000 more than they even intend to spend. This is a non-issue. This is a fabricated issue. Thank you, Mr. Speaker."

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

"I rise in support of this measure. Just two brief comments to make. First I think it is very important to look at the budget of the Governor's office in a historical perspective, and to look at the total amount of the budget allotted each year. In 1998, the Governor's budget was, approximately \$3.5 million for the year. In 1999, the budget was approximately \$3.174 million. In 2000, the total annual budget was \$3.063 million. In 2001, the total annual budget was \$3.024 million. In 2002, the budget was \$3.163 million. This year if we approve emergency appropriation that is before us, the budget for the Governor's office for the year will be \$3.4 million dollars, which is an approximate increase of \$300,000 as compared to last year."

"The second point is that the title of this bill may violate the State Constitution because it embraces more than one subject. Article II, Section 14 of the State Constitution requires that the title of all bills reference only one subject matter. The title of this bill contains two subjects. Thank you."

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

"I rise in support, Mr. Speaker. As a freshman legislator, it is crystal clear to me that we are funding each and every position that is requested by the Administration. I don't have a problem with that. I don't have a problem with even how the Administration allocates these positions. But I want to vote on it and I want to vote yes."

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

"Thank you. I rise in support. The discussion here in this open democratic process really amazes me, and if people are not talking Party politics when they actually say the former Governor's name, I don't know what to say."

"But Mr. Speaker, it is apparent to me that the definition of emergency really differs within the House. Really the way I look at this is this is just an add-on to the Governor's budget. I have no problem with adding on to her budget. My problem is that if it is an emergency, yesterday we had an emergency. An emergency for the people. I did not see that many people yelling out loud for the people. Here is the cut. Here's the emergency. We've been told to live within our means. A \$750,000 cut to Hana Hospital ..."

The Chair addressed Representative Kahikina, stating:

"Representative Kahikina, could you refer your remarks to the bill."

Representative Kahikina continued, stating:

"Okay. The bill talked about emergencies. I just wanted to mention that we do have other emergencies and this emergency, which is an add-on, to me, does not reach to the point of an emergency to me. We've got other emergencies in other areas. I would love to see the same energy toward advocating for the people. I'd love to see this compassionate leadership rising up. But maybe the compassion should go towards the people, the people of the State that is suffering. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support of the bill. Mr. Speaker, I do also want to emphasize that this is an additional appropriation. And that by cutting this additional appropriation, we are not cutting the Governor's budget by one half.

"I wanted to look at one particular portion of what was cut, Mr. Speaker. That has to do with the Governor's shopping list for furniture. As we heard today, Mr. Speaker, everyone is suffering cuts. We've asked our public schools, we've asked the University of Hawaii, to cut millions of dollars from their budget, Mr. Speaker. Yet the Executive Branch is asking for approximately \$93,000 to go out and go shopping.

"For example, Mr. Speaker, they asked for \$29,000 for rugs and floor coverings. They asked for \$25,000 to re-upholster and refurbish existing furniture. I am confused by this Mr. Speaker, because in the Governor's request, they say they don't have any furniture, so I don't know what they are re-upholstering and what they are refurbishing with the \$25,000 additional dollars they are asking for.

"They ask for \$12,000 in miscellaneous pieces such as an armoire, but Mr. Speaker, I don't know how many people in this Chamber know what an armoire is, but I learned a couple years ago from my wife what that was when we were looking at buying one. It is an expensive, large piece of furniture that substitutes for a closet. It was something invented by Louis XIV, the son of the King of France. We don't have one. We couldn't afford it.

"She wants \$10,000 for bedroom furniture; \$8,000 for window coverings; \$4,000 for sectional units and chairs; \$2,500 for mattresses and frames, four sets; and finally Mr. Speaker, \$2,500 for an entertainment center. That is probably a good deal in terms of the mattresses and frames. But an entertainment center, Mr. Speaker, at this time, when we are all being asked to cut. I don't know about that. I ask, Mr. Speaker, is there not another way to solve this problem?

"We have a beautiful Washington Place. We have a second floor that is fully furnished. It was good enough for our previous Governor and his wife and family. They slept in the beds, they used the chairs, they used the tables. Why can't that furniture be moved over to the new Governor's home? Or why can't the Governor move back into Washington Place until times are better and she can afford that furniture.

"Finally Mr. Speaker, the home that the Governor lives in was built with private funds, and that is admirable that people in our State came forward and raised money to build that beautiful home. The Governor could ask people to come forward now with private funds to furnish that beautiful home, much as did Nancy and Ronald Reagan, our former President, when they remodeled the White House.

"Mr. Speaker, I think there is a reality check we have to make here. We have to look at what some of this money was for. It is not an emergency appropriation. Some of it is for wanting to remodel and refurnish a home. Thank you."

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

"I apologize. I rise in support of this budget. But I just want to comment on something that was said by the previous speaker. As I make my way through a lot of the offices of my esteemed colleagues, I tend to see a lot of armoires in their offices. I think if you we check to see how those armoires were paid for, they were paid for by State allocated money. Thank you."

Representative Saiki then called for the previous question, seconded by Representative Lee, and by unanimous consent, was granted.

The motion was put to vote by the Chair and carried, H.B. No. 1077, HD 1, entitled: "A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR THE OFFICES OF THE GOVERNOR AND LIEUTENANT GOVERNOR," passed Third Reading by a vote of 49 ayes, with Representatives Arakaki and Kanoho being excused.

The Chair directed the Clerk to note that H.B. No. 1077, HD 1, passed Third Reading at 3:22 o'clock p.m.

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 56 through 59) and concurrent resolutions (H.C.R. Nos. 53 through 56) were referred to Printing and further action was deferred:

H.R. No. 56, entitled: "HOUSE RESOLUTION REQUESTING THE ESTABLISHMENT OF A COMMISSION TO DETERMINE THE CARRYING CAPACITY OF OAHU'S ROADWAYS," was offered by Representative Saiki.

H.R. No. 57, entitled: "HOUSE RESOLUTION URGING THE STATE AND COUNTIES TO SUPPORT THE DEVELOPMENT AND ESTABLISHMENT OF AN OFFICIALLY RECOGNIZED URBAN SEARCH AND RESCUE TEAM IN HAWAII," was jointly offered by Representatives Ito, Karamatsu, Nishimoto, Mindo, M. Oshiro, Moses, Souki, Takumi and Wakai.

H.R. No. 58, entitled: "HOUSE RESOLUTION REQUESTING HAWAII SENATORS DANIEL K. INOUE AND DANIEL K. AKAKA TO SUPPORT THE FLOOR VOTE AND NOMINATION OF JUDICIAL NOMINEE MIGUEL ESTRADA," was jointly offered by Representatives Fox, Bukoski, Marumoto, Blundell, Leong, Moses, Halford, Meyer, Stonebraker, Finnegan, Ontai, Pendleton and Jernigan.

H.R. No. 59, entitled: "HOUSE RESOLUTION IN SUPPORT OF INTERNATIONAL WOMEN'S DAY AND REQUESTING THE UNITED STATES SENATE TO RATIFY THE CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN," was offered by Representative Lee, Morita, Hale, Luke, Kawakami, Marumoto, Evans, Shimabukuro, and Ching.

H.C.R. No. 53, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A COMMISSION TO DETERMINE THE CARRYING CAPACITY OF OAHU'S ROADWAYS," was offered by Representative Saiki.

H.C.R. No. 54, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE STATE AND COUNTIES TO SUPPORT THE DEVELOPMENT AND ESTABLISHMENT OF AN OFFICIALLY RECOGNIZED URBAN SEARCH AND RESCUE TEAM IN HAWAII," was jointly offered by Representatives Ito, Karamatsu, Nishimoto, Mindo, M. Oshiro, Moses, Souki, Takumi and Wakai.

H.C.R. No. 55, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM TO ASSIST IN THE ACCOMMODATION OF A PLASMA-ARC TORCH FACILITY IN THE STATE," was jointly offered by Representatives Kahikina, Kaho'ohalahala, Shimabukuro, Mindo, Kanoho, Sonson, Arakaki, Morita and Kawakami.

H.C.R. No. 56, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING HAWAII SENATORS DANIEL K. INOUE AND DANIEL K. AKAKA TO SUPPORT THE FLOOR VOTE AND NOMINATION OF JUDICIAL NOMINEE MIGUEL ESTRADA," was jointly offered by Representatives Fox, Bukoski, Marumoto, Blundell, Leong, Moses, Halford, Meyer, Jernigan, Stonebraker, Finnegan, Ontai and Pendleton.

ADJOURNMENT

At 3:24 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Friday, March 7, 2003. (Representatives Arakaki and Kanoho were excused.)

TWENTY-EIGHTH DAY

Friday, March 7, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:13 o'clock p.m., with the Vice Speaker presiding.

The invocation was delivered by Mr. Walter Yoshimitsu of St. John Vianney, after which the Roll was called showing all members present with the exception of Representatives Chang, Kahikina, Nishimoto, Pendleton, and Takumi.

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

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 434 through 436) were received and announced by the Clerk and were placed on file:

Sen. Com. No. 434, transmitting S.B. No. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT," which passed Third Reading in the Senate on March 6, 2003.

Sen. Com. No. 435, transmitting S.B. No. 1263, S.D. 3, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC PROCUREMENT," which passed Third Reading in the Senate on March 6, 2003.

Sen. Com. No. 436, transmitting S.B. No. 780, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO TEMPORARY PARTIAL DISABILITY," which passed Third Reading in the Senate on March 6, 2003.

On motion by Representative Lee, seconded by Representative Meyer and carried, S.B. Nos.: 1, S.D. 2; 1263; S.D. 3; and 780, S.D. 2, passed First Reading by title and further action was deferred, with Representatives Chang, Kahikina, Nishimoto, Pendleton, and Takumi being excused.

INTRODUCTIONS

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

Representative Hamakawa introduced Master Matthew Takai, son of Representative Mark Takai.

Representative Magaoay, on behalf of Representative Meyer and himself, introduced students of the BYU Hawaii School of Social Work and their professor, Dr. Halaevalu Vakalahi.

Representative Sonson, on behalf of Representatives Tamayo, Karamatsu and himself, introduced 5th grade students of August Aherns Elementary School, and their teachers, Mrs. Judelyn Ragmat, Mr. Val Ventura, and Mr. Al Casinas.

Representative Takai introduced a delegation from Iwakuni, Japan, who were here for the 100th anniversary of the Hawaii Yuu Cho Jun Kai:

Mayor of Yuu, Mr. Toshimitsu Makimoto, and his wife, Mrs. Miyoko Makimoto;

Mr. and Mrs. Hiroshi Tomota, a business leader;

Mr. Katsuyoshi Fukuoka, Mayor's Aide;

Ms. Miki Nakamura, interpreter; and

Mr. Tadashi Teraoka, Mayor's Assistant.

Representative Takai also introduced members of the Hawaii Yuu Cho Jun Kai delegation:

Mr. Larry and Mrs. Yasuko Nakamoto; and

Mr. Erik and Mrs. Naomi Takai, Representative Takai's parents, and his son, Matthew Takai.

ORDER OF THE DAY

COMMITTEE ASSIGNMENTS

The following bills were referred to committee by the Speaker:

<u>S.B.</u> <u>Nos.</u>	<u>Referred to:</u>
739	Committee on Health, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary, then to the Committee on Finance
740	Committee on Health, then to the Committee on Finance
792, SD2	Committee on Health, then to the Committee on Consumer Protection and Commerce
956, SD2	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
1061, SD1	Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Judiciary, then to the Committee on Finance
1367, SD2	Jointly to the Committee on Health and the Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance
1469, SD1	Committee on Health, then jointly to the Committee on Public Safety and Military Affairs and the Committee on Labor and Public Employment, then to the Committee on Finance

The following resolutions and concurrent resolutions were referred to committee by the Speaker:

<u>H.R.</u> <u>Nos.</u>	<u>Referred to:</u>
56	Committee on Transportation, then to the Committee on Finance
57	Committee on Public Safety and Military Affairs

H.C.R.
Nos. Referred to:

- 53 Committee on Transportation, then to the Committee on Finance
- 54 Committee on Public Safety and Military Affairs

COMMITTEE REASSIGNMENTS

The following resolution and concurrent resolution were re-referred to committee by the Speaker:

H.R.

No. Re-referred to:

- 37 Committee on Legislative Management

H.C.R.

No. Re-referred to:

- 34 Committee on Legislative Management

INTRODUCTION OF RESOLUTIONS (FLOOR PRESENTATIONS)

The following resolutions (H.R. No. 62 and 63) were announced by the Clerk and the following action taken:

H.R. No. 62, entitled: "HOUSE RESOLUTION CELEBRATING THE PUBLIC UNVEILING OF HAWAII LEARNING INTERCHANGE'S ARCHETYPE AND COMMENDING THE HAWAII ARTS EDUCATION PARTNERS AND APPLE COMPUTER FOR CREATING A NATIONAL MODEL OF ACADEMIC EXCELLENCE," was jointly offered by Representatives Takai and Takumi.

Representative Takai moved that H.R. No. 62 be adopted, seconded by Representative Karamatsu.

Representative Takai recognized the Hawaii Learning Interchange Archetype and commended the Hawaii Arts Education Partners and Apple Computers.

Representative Karamatsu introduced representatives from the various partners of the Hawaii Interchange Archetype who were seated on the floor of the House:

Mr. Bob Lew, Education Account Executive of Apple Computers;

Ms. Elaine Zinn, Arts & Education Coordinator of the State Foundation on Culture and the Arts;

Ms. Pat Hamamoto, Superintendent of the Department of Education;

Mr. Robert Witt, Executive Director of the Hawaii Association of Independent Schools; and

Ms. Marilyn Cristofori, Executive Director of the Hawaii Alliance for Arts Education.

Representative Karamatsu also recognized other partners who were seated in the gallery:

From the University of Hawaii: Dr. Judith Hughes, Dean of the College of Arts and Humanities; Dr. Randy Hitz, Dean of the College of Education; Dr. Betty Lou Williams, Associate Professor of Art Education; and Dr. David McClain, Interim

Vice President of Research, and Dean of the College of Business Administration;

Commissioners of the State Foundation and Culture and the Arts, Mr. Chuck Freedman and Mr. George Ellis. Also from the Foundation, Mr. Ron Yamakawa, Executive Director;

From the Hawaii Alliance for the Arts Education: Ms. Gail Mukaihata Hanneman, Chair; Ms. Kit Dobelle, Chair-elect and Board Members, Ms. Marcia Sakamoto Wong, Ms. Ginnie Castillo and Ms. Janis Reischmann;

From Mid-Pacific Institute High School, Mr. Richard Schaffer, Principal;

From the Honolulu Theatre for Youth, Executive Director, Ms. Louise King Lanzilotti; and

From the Maui Arts and Cultural Center, Ms. Susana Browne, Education Director.

The motion was put to vote by the Chair and carried, and H.R. No. 62 was adopted with Representatives Chang, Halford, Herkes, Hiraki, Kahikina, Marumoto, Nakasone, Nishimoto, Pendleton, Souki, Takamine, Takumi and Tamayo being excused.

H.R. No. 63, entitled: "HOUSE RESOLUTION CONGRATULATING RANDY RARICK FOR HIS OUTSTANDING LEADERSHIP AND CONTRIBUTIONS IN PROMOTING INTERNATIONAL SURFING FOR HAWAII AND THE WORLD," was jointly offered by Representatives Magaoay and M. Oshiro.

Representative Magaoay moved that H.R. No. 63 be adopted, seconded by Representative M. Oshiro.

Representative Magaoay introduced the honoree Mr. Randy Rarick, and his wife, Ms. Jacque Rarick who were seated on the floor of the House.

At this time, Representative Magaoay also introduced Mr. Rarick's family and friends, who were seated in the gallery:

Mr. Phil Rarick, brother, and his wife Ms. Sande Rarick;

Ms. Jody Rarick, sister-in-law;

Mr. Jeff Alameida, President, Waialua Community Association;

Ms. Judy Fomin, President, Sunset Beach Community Association;

Mr. Chet Naylor, Vice President, Sunset Beach Community Association, and his wife Ms. Sylvia Naylor;

Mr. Charlie and Ms. Tracy Walker, members of Sunset Beach Community Association and long time friends;

Mr. Bernie Baker, Director, Triple Crown of Surfing contest;

Mr. Kalani Fronda, North Shore Community Chamber of Commerce;

Mr. Ron Valenciana, Publisher, North Shore News & Triple Crown of Surfing magazine; and

Mr. Jim Howe, Operation Chief, Water Safety, City and County of Honolulu.

Representative Magaoy also recognized his staff, Mr. Larry Sagasay, Office Manager; Ms. Mayette Smith, Administrative Assistant and Ms. Rexann Dubiel, Community Liaison.

The motion was put to vote by the Chair and carried, and H.R. No. 63 was adopted with Representatives Chang, Halford, Herkes, Hiraki, Ito, Marumoto, Nakasone, Nishimoto, Pendleton, Souki, Takamine, Takumi and Tamayo being excused.

At 12:45 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:53 o'clock p.m.

STANDING COMMITTEE REPORTS

Representatives Kahikina and Arakaki, for the Committee on Human Services and Housing and the Committee on Health presented a report (Stand. Com. Rep. No. 858), recommending that H.C.R. No. 8, be referred to the Committee on Education.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.C.R. No. 8, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A TASK FORCE ON GRADUATED PARENTING," was referred to the Committee on Education with Representatives Chang, Ching, Halford, Herkes, Hiraki, Marumoto, Nakasone, Nishimoto, Pendleton, Souki, Takamine, Takumi and Tamayo being excused.

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 60 and 61) and concurrent resolutions (H.C.R. Nos. 57 through 60) were referred to Printing and further action was deferred:

H.R. No. 60, entitled: "HOUSE RESOLUTION ENDORSING THE SMALL BUSINESS BILL OF RIGHTS," was offered by Representative Say, by request.

H.R. No. 61, entitled: "HOUSE RESOLUTION URGING THE STATE TO PURSUE LITIGATION AGAINST CHEVRONTEXACO FOR NONPAYMENT OF TAXES," was jointly offered by Representatives Hiraki and Morita.

H.C.R. No. 57, entitled: "HOUSE CONCURRENT RESOLUTION ENDORSING THE SMALL BUSINESS BILL OF RIGHTS," was offered by Representative Say, by request.

H.C.R. No. 58, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A SUNRISE REVIEW OF THE REGULATION OF CONDOMINIUM ASSOCIATION MANAGERS," was offered by Representative Herkes.

H.C.R. No. 59, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE STATE TO PURSUE LITIGATION AGAINST CHEVRONTEXACO FOR NONPAYMENT OF TAXES," was jointly offered by Representatives Hiraki and Morita.

H.C.R. No. 60, entitled: "HOUSE CONCURRENT RESOLUTION EXPRESSING SUPPORT FOR THE SCHOOL OF OCEAN AND EARTH SCIENCE AND TECHNOLOGY OF THE UNIVERSITY OF HAWAII,"

was jointly offered by Representatives Say, Tamayo and Takai.

ANNOUNCEMENTS

Representative Hale: "Yes, Madame Speaker. I'd just like to remind everybody that tomorrow is International Women's Day. There will be many programs out through the community, in the Mayor's Office, and I think there is one down at the Sheraton. Thank you."

Representative Takai: "Thank you, Madame Speaker. I did want to remind everyone that immediately following this session, we will be doing that demonstration. But more importantly, there is food. So please join us in room 325. Thank you."

Representative Fox: "How appropriate that on International Women's Day we will celebrate a birthday of the Republican Floor Leader. Happy Birthday to Representative Colleen Meyer, tomorrow, March 8th."

Vice Speaker Luke: "Any speech?"

Representative Meyer: "Only to say that I won't be 39."

Representative Lee: "Madame Speaker, I think Mrs. Hale wanted to make an announcement about International Woman's Day?"

Vice Speaker Luke: "She already did. But you can make it again if you want."

ADJOURNMENT

At 12:55 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 12:00 o'clock noon Monday, March 10, 2003. (Representatives Chang, Halford, Herkes, Hiraki, Marumoto, Nakasone, Nishimoto, M. Oshiro, Pendleton, Souki, Takamine, Takumi and Tamayo were excused.)

TWENTY-NINTH DAY

Monday, March 10, 2003

The House of Representatives of the Twenty-Second Legislature of the State of Hawaii, Regular Session of 2003, convened at 12:07 o'clock p.m., with the Speaker presiding.

The invocation was delivered by Mr. David Keoni Kamahu, a seventh grade student at St. Louis School, after which the Roll was called showing all members present with the exception of Representatives Blundell, Kaho'ohalahala, Marumoto, Meyer, Nishimoto, Ontai, Pendleton, Takamine and Wakai who were excused.

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

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 206 through 207) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 206, transmitting a report, Requiring All Departments and Agencies to Identify Their Goals, Objectives, and Policies, to Provide a Basis for Determining Priorities and Allocating Limited Public Funds and Human Resources.

Gov. Msg. No. 207, transmitting the 2001-2002 Annual Report prepared by the State Foundation on Culture and the Arts.

SENATE COMMUNICATION

The following communication from the Senate (Sen. Com. No. 437) was received and announced by the Clerk.

Sen. Com. No. 437, transmitting S.C.R. No. 13, S.D. 1, entitled: "SENATE CONCURRENT RESOLUTION REQUESTING THE ESTABLISHMENT OF A STATEWIDE INTERAGENCY TASK FORCE TO DEVELOP A PLAN FOR COORDINATION AND EXPANSION OF SERVICES PROVIDED THROUGH HEALTHY START TO YOUNG CHILDREN AND THEIR FAMILIES," which was adopted by the Senate on March 7, 2003.

INTRODUCTION

The following introduction was made to the members of the House:

Representative Arakaki introduced Mr. Masaru Yamakawa, Vice Counsel of the Consulate-General of Japan, and Mr. Tetsuhiko Morita, a graduate student at the University of Hawaii.

ORDER OF THE DAY

COMMITTEE ASSIGNMENTS

The following Senate Bills were referred to committee by the Speaker:

S.B.
Nos. **Referred to:**

1, SD 2	Committee on Labor and Public Employment, then to the Committee on Finance
3, SD 1	Committee on Health, then to the Committee on Finance
6, SD 1	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance
11	Committee on Education, then to the Committee on Judiciary, then to the Committee on Finance
12, SD 1	Committee on Judiciary, then to the Committee on Finance
14, SD 1	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance
16, SD 2	Jointly to the Committee on Education and the Committee on Higher Education, then to the Committee on Finance
17, SD 1	Committee on Education, then to the Committee on Finance
24, SD 2	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance
26	Committee on Legislative Management, then to the Committee on Finance
29, SD 1	Committee on Energy and Environmental Protection, then to the Committee on Finance
38	Committee on Tourism and Culture, then to the Committee on Judiciary, then to the Committee on Finance
39, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
41	Committee on Tourism and Culture, then to the Committee on Judiciary, then to the Committee on Finance
42, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary
44, SD 2	Committee on Transportation, then to the Committee on Judiciary, then to the Committee on Finance
51	Committee on Transportation, then to the Committee on Judiciary
58, SD 1	Committee on Education, then to the Committee on Finance
60	Committee on Education, then to the Committee on Finance
62, SD 1	Committee on Higher Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance

65, SD 2	Committee on Agriculture, then to the Committee on Higher Education, then to the Committee on Finance	318, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance
69, SD 1	Committee on Education	319, SD 2	Committee on Energy and Environmental Protection, then to the Committee on Judiciary, then to the Committee on Finance
75, SD 2	Jointly to the Committee on Education and the Committee on Higher Education, then to the Committee on Finance	325	Committee on Health, then to the Committee on Finance
78, SD 2	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Judiciary	327, SD 1	Committee on Finance
85	Committee on Transportation, then to the Committee on Judiciary	337, SD 1	Committee on Education, then to the Committee on Finance
88, SD 1	Jointly to the Committee on Public Safety and Military Affairs and the Committee on Transportation, then to the Committee on Consumer Protection and Commerce	339, SD 1	Jointly to the Committee on Education and the Committee on Higher Education, then to the Committee on Finance
91, SD 2	Committee on Transportation, then to the Committee on Judiciary	342	Committee on Education, then to the Committee on Finance
94, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Labor and Public Employment, then to the Committee on Finance	343	Committee on Higher Education, then to the Committee on Finance
205, SD 3	Committee on Labor and Public Employment, then to the Committee on Finance	344, SD 2	Committee on Public Safety and Military Affairs, then to the Committee on Finance
209, SD 3	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance	345, SD 1	Committee on Transportation, then to the Committee on Consumer Protection and Commerce
235, SD 3	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	353, SD 1	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance
248, SD 3	Committee on Tourism and Culture, then to the Committee on Finance	354, SD 2	Committee on Energy and Environmental Protection, then to the Committee on Finance
254, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	358, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Finance
255, SD 2	Jointly to the Committee on Agriculture and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary	359, SD 2	Jointly to the Committee on Tourism and Culture and the Committee on Economic Development and Business Concerns, then to the Committee on Finance
295, SD 1	Committee on Transportation	360	Committee on Education, then to the Committee on Finance
296, SD 1	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	361, SD 2	Jointly to the Committee on Judiciary and the Committee on Public Safety and Military Affairs, then to the Committee on Finance
299, SD 1	Committee on Judiciary	363	Committee on Labor and Public Employment, then to the Committee on Finance
302	Committee on Transportation, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary, then to the Committee on Finance	368	Committee on Judiciary
312, SD 2	Committee on Labor and Public Employment, then to the Committee on Finance	373, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
317, SD 2	Committee on International Affairs, then to the Committee on Finance	374, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
		376, SD 2	Committee on Tourism and Culture, then to the Committee on Finance

377, SD 1	Jointly to the Committee on Tourism and Culture and the Committee on Economic Development and Business Concerns, then to the Committee on Finance	463, SD 2	Jointly to the Committee on Water, Land Use, and Hawaiian Affairs and the Committee on Public Safety and Military Affairs, then to the Committee on Finance
378, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary	464, SD 2	Committee on Transportation, then to the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
381, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	469	Committee on Labor and Public Employment, then to the Committee on Judiciary
386	Committee on Finance	473, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health and the Committee on Public Safety and Military Affairs, then to the Committee on Judiciary, then to the Committee on Finance
390	Committee on Judiciary	474, SD 2	Committee on Legislative Management, then to the Committee on Judiciary
394	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary	477, SD 1	Committee on Judiciary, then to the Committee on Finance
395, SD 1	Committee on Education, then to the Committee on Finance	481, SD 1	Committee on Transportation, then to the Committee on Consumer Protection and Commerce
396, SD 1	Committee on Education, then to the Committee on Finance	482, SD 1	Committee on Consumer Protection and Commerce
397	Committee on Education, then to the Committee on Finance	489	Committee on Legislative Management, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Energy and Environmental Protection, then to the Committee on Finance
399, SD 2	Committee on Finance	492	Committee on Energy and Environmental Protection, then to the Committee on Finance
402, SD 2	Committee on Health, then to the Committee on Higher Education, then to the Committee on Finance	498, SD 2	Jointly to the Committee on Energy and Environmental Protection and the Committee on Consumer Protection and Commerce, then to the Committee on Finance
420, SD 1	Committee on Finance	505	Committee on Labor and Public Employment, then to the Committee on Energy and Environmental Protection, then to the Committee on Finance
425, SD 2	Committee on Economic Development and Business Concerns, then to the Committee on Finance	506	Committee on Energy and Environmental Protection, then to the Committee on Finance
426, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Finance	516, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
427, SD 1	Committee on Legislative Management, then to the Committee on Judiciary, then to the Committee on Finance	527	Jointly to the Committee on Water, Land Use, and Hawaiian Affairs and the Committee on Energy and Environmental Protection, then to the Committee on Agriculture, then to the Committee on Consumer Protection and Commerce
435	Committee on Labor and Public Employment, then to the Committee on Finance	528, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Education, then to the Committee on Finance
455, SD 1	Committee on Finance	534, SD 2	Jointly to the Committee on Agriculture and the Committee on Higher Education, then to the Committee on Finance
456	Committee on Judiciary		
457, SD 1	Committee on Finance		
458, SD 2	Committee on Finance		
459, SD 1	Committee on Judiciary		
460	Committee on Transportation		

538, SD 1	Jointly to the Committee on Agriculture and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	618, SD 2	Committee on Judiciary, then to the Committee on Finance
540, SD 1	Committee on Agriculture, then to the Committee on Finance	624, SD 1	Committee on Health, then to the Committee on Judiciary
542, SD 1	Committee on Agriculture, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary	630, SD 1	Committee on Public Safety and Military Affairs, then to the Committee on Judiciary
548	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary	632, SD 2	Committee on Judiciary, then to the Committee on Finance
549, SD 1	Jointly to the Committee on Agriculture and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary	634, SD 2	Committee on Public Safety and Military Affairs, then to the Committee on Finance
550, SD 1	Committee on Agriculture, then to the Committee on Judiciary	635, SD 2	Committee on Judiciary, then to the Committee on Finance
552, SD 2	Jointly to the Committee on Water, Land Use, and Hawaiian Affairs and the Committee on Energy and Environmental Protection, then to the Committee on Judiciary	637	Committee on Judiciary, then to the Committee on Finance
553, SD 1	Committee on Agriculture, then to the Committee on Finance	638, SD 1	Jointly to the Committee on Water, Land Use, and Hawaiian Affairs and the Committee on Human Services and Housing, then to the Committee on Judiciary, then to the Committee on Finance
560, SD 2	Committee on Economic Development and Business Concerns, then to the Committee on Finance	643, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
562	Committee on Transportation, then to the Committee on Consumer Protection and Commerce	658, SD 1	Committee on Health, then to the Committee on Judiciary, then to the Committee on Finance
574, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance	661, SD 1	Committee on Health, then to the Committee on Finance
576	Committee on Higher Education, then to the Committee on Finance	664, SD 2	Jointly to the Committee on Public Safety and Military Affairs and the Committee on Health, then to the Committee on Finance
577	Committee on Labor and Public Employment, then to the Committee on Finance	665, SD 1	Committee on Health, then to the Committee on Consumer Protection and Commerce
579, SD 1	Committee on Finance	666, SD 1	Committee on Education, then to the Committee on Finance
582	Committee on Finance	667, SD 2	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance
585, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance	676	Committee on Transportation, then to the Committee on Judiciary, then to the Committee on Finance
610, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance	678, SD 1	Committee on Labor and Public Employment, then to the Committee on Consumer Protection and Commerce
611, SD 1	Committee on Judiciary, then to the Committee on Finance	683, SD 2	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
614, SD 1	Jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary, then to the Committee on Finance	684, SD 2	Committee on Transportation, then to the Committee on Health, then to the Committee on Finance
616	Committee on Judiciary	685	Committee on Judiciary
617	Committee on Judiciary, then to the Committee on Finance	686, SD 2	Committee on Finance

687, SD 1	Committee on Labor and Public Employment	783, SD 1	Committee on Health, then to the Committee on Labor and Public Employment, then to the Committee on Finance
689	Committee on Transportation, then to the Committee on Judiciary	784, SD 1	Committee on Education, then to the Committee on Judiciary, then to the Committee on Finance
690, SD 1	Committee on Judiciary	787	Committee on Labor and Public Employment, then to the Committee on Finance
694, SD 1	Committee on Labor and Public Employment, then to the Committee on Judiciary	789, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance
695, SD 2	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance	797, SD 2	Committee on Labor and Public Employment, then to the Committee on Finance
711, SD 1	Committee on Transportation, then to the Committee on Judiciary, then to the Committee on Finance	799, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance
713	Committee on Energy and Environmental Protection, then to the Committee on Finance	802, SD 1	Committee on Judiciary, then to the Committee on Finance
719	Committee on Transportation, then to the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	807, SD 1	Committee on Judiciary
726	Committee on Economic Development and Business Concerns, then to the Committee on Finance	827, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
745, SD 2	Committee on Health, then to the Committee on Finance	830, SD 1	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance
747, SD 1	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance	831, SD 1	Committee on Judiciary
748, SD 2	Committee on Higher Education, then to the Committee on Finance	832, SD 1	Committee on Education, then to the Committee on Finance
759, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance	835, SD 2	Committee on Transportation, then to the Committee on Finance
761	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	837, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Labor and Public Employment, then to the Committee on Finance
762, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance	840, SD 1	Committee on Energy and Environmental Protection, then to the Committee on Finance
764, SD 1	Committee on Labor and Public Employment, then to the Committee on Judiciary	843, SD 1	Jointly to the Committee on Water, Land Use, and Hawaiian Affairs and the Committee on Energy and Environmental Protection, then to the Committee on Judiciary, then to the Committee on Finance
765, SD 2	Jointly to the Committee on Labor and Public Employment and the Committee on Education, then to the Committee on Finance	848	Jointly to the Committee on Energy and Environmental Protection and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
768, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance	855, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Energy and Environmental Protection, then to the Committee on Finance
773	Committee on Labor and Public Employment, then to the Committee on Finance	857, SD 2	Jointly to the Committee on Energy and Environmental Protection and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance
779, SD 2	Committee on Labor and Public Employment, then to the Committee on Finance		
780, SD 2	Committee on Labor and Public Employment, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance		

859, SD 2	Jointly to the Committee on Human Services and Housing and the Committee on Labor and Public Employment, then to the Committee on Higher Education, then to the Committee on Finance	959, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
864, SD 1	Committee on Human Services and Housing, then to the Committee on Finance	961, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
870, SD 2	Committee on Human Services and Housing, then to the Committee on Finance	963, SD 1	Committee on Health, then to the Committee on Finance
877, SD 2	Jointly to the Committee on Public Safety and Military Affairs and the Committee on Human Services and Housing, then to the Committee on Judiciary, then to the Committee on Finance	964, SD 1	Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Finance
880	Committee on Legislative Management, then to the Committee on Finance	966, SD 2	Committee on Finance
881, SD 1	Committee on Human Services and Housing, then to the Committee on Public Safety and Military Affairs, then to the Committee on Judiciary	974, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
883, SD 2	Committee on Human Services and Housing, then to the Committee on Finance	975	Committee on Tourism and Culture, then to the Committee on Judiciary, then to the Committee on Finance
884, SD 1	Committee on Human Services and Housing, then to the Committee on Finance	993, SD 1	Committee on Legislative Management, then to the Committee on Judiciary
889	Committee on Health, then to the Committee on Judiciary	995, SD 2	Committee on Education, then to the Committee on Finance
895, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance	996, SD 1	Committee on Public Safety and Military Affairs, then to the Committee on Finance
913	Committee on Finance	1002	Committee on Education, then to the Committee on Judiciary, then to the Committee on Finance
918, SD 2	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance	1034, SD 1	Jointly to the Committee on Agriculture and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
919, SD 1	Committee on Higher Education, then to the Committee on Finance	1040, SD 1	Committee on Tourism and Culture, then to the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
921, SD 2	Committee on Labor and Public Employment, then to the Committee on Judiciary	1041, SD 1	Committee on Health, then to the Committee on Judiciary
929, SD 1	Committee on Education, then to the Committee on Finance	1044	Committee on Judiciary, then to the Committee on Finance
931, SD 2	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	1049, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
936, SD 1	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	1050, SD 2	Committee on Public Safety and Military Affairs, then to the Committee on Finance
945, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Education, then to the Committee on Finance	1051	Committee on Transportation, then to the Committee on Judiciary
946	Committee on Human Services and Housing, then to the Committee on Judiciary	1055, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance
958, SD 1	Committee on Health, then to the Committee on Consumer Protection and Commerce	1057	Committee on Consumer Protection and Commerce, then to the Committee on Legislative Management, then to the Committee on Judiciary
		1058, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary

1065	Committee on Labor and Public Employment, then to the Committee on Finance	1142	Committee on Judiciary, then to the Committee on Finance
1066	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	1149	Committee on Judiciary, then to the Committee on Finance
1068, SD 1	Committee on Human Services and Housing, then to the Committee on Finance	1151	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
1070	Committee on Labor and Public Employment, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance	1152, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance
1072, SD 2	Committee on Education, then to the Committee on Finance	1154	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Labor and Public Employment, then to the Committee on Finance
1075, SD 1	Committee on Judiciary	1155, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Labor and Public Employment, then to the Committee on Finance
1076, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	1156	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance
1077, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance	1172, SD 2	Committee on Transportation, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
1080, SD 1	Jointly to the Committee on Water, Land Use, and Hawaiian Affairs and the Committee on Energy and Environmental Protection, then to the Committee on Tourism and Culture, then to the Committee on Judiciary	1183	Committee on Education, then to the Committee on Finance
1087, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance	1200, SD 1	Committee on Consumer Protection and Commerce
1088, SD 2	Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Finance	1201, SD 2	Jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary
1107, SD 1	Committee on Judiciary	1210	Committee on Tourism and Culture, then to the Committee on Finance
1109, SD 1	Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Judiciary	1229, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
1130	Committee on Judiciary, then to the Committee on Finance	1234, SD 2	Committee on Judiciary
1131	Committee on Judiciary, then to the Committee on Finance	1237, SD 1	Committee on Education, then to the Committee on Finance
1132, SD 1	Committee on Judiciary, then to the Committee on Finance	1238, SD 2	Committee on Health, then to the Committee on Judiciary, then to the Committee on Finance
1134, SD 1	Committee on Judiciary, then to the Committee on Finance	1239, SD 1	Jointly to the Committee on Energy and Environmental Protection and the Committee on Transportation, then to the Committee on Judiciary, then to the Committee on Finance
1135, SD 1	Committee on Judiciary, then to the Committee on Finance	1240, SD 2	Committee on Human Services and Housing, then to the Committee on Finance
1136, SD 1	Committee on Judiciary, then to the Committee on Finance	1241	Committee on Health, then to the Committee on Finance
1138, SD 1	Jointly to the Committee on Public Safety and Military Affairs and the Committee on Judiciary, then to the Committee on Finance	1242	Committee on Judiciary, then to the Committee on Legislative Management, then to the Committee on Finance
1139, SD 1	Committee on Judiciary, then to the Committee on Finance	1243, SD 2	Committee on Health, then to the Committee on Finance

1245	Committee on Education, then to the Committee on Labor and Public Employment, then to the Committee on Finance	1286, SD 1	Jointly to the Committee on Economic Development and Business Concerns and the Committee on Human Services and Housing, then to the Committee on Labor and Public Employment, then to the Committee on Finance
1248, SD 1	Committee on Education, then to the Committee on Finance	1287	Jointly to the Committee on Economic Development and Business Concerns and the Committee on Transportation, then to the Committee on Labor and Public Employment, then to the Committee on Finance
1249, SD 2	Committee on Economic Development and Business Concerns, then to the Committee on Finance	1305, SD 1	Committee on Finance
1251, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Finance	1306	Committee on Consumer Protection and Commerce, then to the Committee on Finance
1253, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Finance	1307, SD 1	Committee on Finance
1255, SD 2	Committee on Agriculture, then to the Committee on Finance	1309, SD 2	Committee on Labor and Public Employment, then to the Committee on Finance
1257	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Agriculture, then to the Committee on Finance	1311, SD 1	Committee on Finance
1258, SD 1	Committee on Agriculture, then to the Committee on Finance	1312, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance
1260, SD 1	Jointly to the Committee on Health and the Committee on Public Safety and Military Affairs, then to the Committee on Agriculture, then to the Committee on Finance	1313	Committee on Consumer Protection and Commerce
1261	Committee on Consumer Protection and Commerce, then to the Committee on Finance	1314	Committee on Consumer Protection and Commerce
1262, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance	1315	Committee on Consumer Protection and Commerce, then to the Committee on Finance
1263, SD 3	Committee on Finance	1316	Committee on Consumer Protection and Commerce, then to the Committee on Finance
1264, SD 2	Committee on Judiciary, then to the Committee on Finance	1317, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance
1266, SD 1	Committee on Judiciary	1318, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary, then to the Committee on Finance
1270, SD 1	Jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary	1319, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary, then to the Committee on Finance
1274, SD 1	Committee on Judiciary	1320, SD 1	Committee on Labor and Public Employment, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
1275	Committee on Judiciary	1321	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
1279, SD 2	Committee on Judiciary, then to the Committee on Finance	1322, SD 1	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
1281, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance	1323	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
1283	Committee on Human Services and Housing, then to the Committee on Finance	1324, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Judiciary
1284, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Judiciary		

1325	Committee on Consumer Protection and Commerce, then to the Committee on Finance	1396	Committee on Finance
1326, SD 1	Committee on Education, then to the Committee on Finance	1397, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Finance
1332, SD 2	Committee on Labor and Public Employment, then to the Committee on Finance	1399, SD 2	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
1333, SD 1	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	1400, SD 1	Committee on Finance
1347, SD 1	Committee on Judiciary, then to the Committee on Finance	1401	Committee on Transportation, then to the Committee on Finance
1351	Committee on Human Services and Housing, then to the Committee on Judiciary, then to the Committee on Finance	1403	Committee on Transportation, then to the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
1352, SD 1	Committee on Human Services and Housing, then to the Committee on Judiciary, then to the Committee on Finance	1404, SD 1	Committee on Transportation, then to the Committee on Judiciary, then to the Committee on Finance
1353	Committee on Finance	1405	Committee on Transportation, then to the Committee on Judiciary
1354, SD 2	Committee on Finance	1406	Committee on Transportation, then to the Committee on Judiciary
1356, SD 1	Committee on Health, then to the Committee on Judiciary	1407	Committee on Transportation, then to the Committee on Judiciary
1357, SD 1	Committee on Health, then to the Committee on Finance	1408, SD 1	Committee on Transportation, then to the Committee on Finance
1358, SD 1	Committee on Finance	1410, SD 1	Committee on Higher Education, then to the Committee on Judiciary, then to the Committee on Finance
1360, SD 1	Committee on Health, then to the Committee on Consumer Protection and Commerce, then to the Committee on Judiciary	1411, SD 1	Committee on Higher Education, then to the Committee on Finance
1361, SD 2	Committee on Health, then to the Committee on Consumer Protection and Commerce	1413	Committee on Finance
1364, SD 1	Committee on Health, then to the Committee on Judiciary	1415	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
1373, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance	1418, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary
1374	Committee on Labor and Public Employment, then to the Committee on Finance	1421, SD 1	Committee on Economic Development and Business Concerns, then to the Committee on Human Services and Housing, then to the Committee on Finance
1381, SD 1	Committee on Education, then to the Committee on Finance	1423, SD 2	Committee on Human Services and Housing, then to the Committee on Finance
1392	Committee on Public Safety and Military Affairs, then to the Committee on Judiciary, then to the Committee on Finance	1425, SD 2	Committee on Economic Development and Business Concerns, then to the Committee on Labor and Public Employment, then to the Committee on Finance
1393, SD 2	Jointly to the Committee on Public Safety and Military Affairs and the Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	1426, SD 1	Committee on Labor and Public Employment, then to the Committee on Finance
1394, SD 2	Committee on Finance	1427	Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance
1395, SD 1	Committee on Finance		

1432, SD 2	Committee on Agriculture, then to the Committee on Finance	1505, SD 1	Jointly to the Committee on Energy and Environmental Protection and the Committee on Agriculture, then to the Committee on Finance
1435	Committee on Agriculture, then to the Committee on Finance	1514, SD 1	Committee on Judiciary
1437	Committee on Judiciary, then to the Committee on Finance	1517, SD 2	Committee on Energy and Environmental Protection, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance
1438	Committee on Finance	1519, SD 1	Committee on Health, then to the Committee on Finance
1439	Committee on Finance	1533, SD 2	Committee on Consumer Protection and Commerce, then to the Committee on Finance
1440	Committee on Finance	1549, SD 1	Committee on Consumer Protection and Commerce
1441	Committee on Finance	1553, SD 1	Committee on Consumer Protection and Commerce, then to the Committee on Finance
1442	Committee on Finance	1554, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
1443	Committee on Finance	1555	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
1444	Committee on Finance	1560	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance
1445	Committee on Finance	1580	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Education, then to the Committee on Finance
1446, SD 2	Jointly to the Committee on Economic Development and Business Concerns and the Committee on Health, then to the Committee on Finance	1581	Committee on Judiciary
1449, SD 1	Committee on Judiciary, then to the Committee on Finance	1582, SD 1	Committee on Labor and Public Employment, then jointly to the Committee on Consumer Protection and Commerce and the Committee on Judiciary
1461	Committee on Tourism and Culture, then to the Committee on Finance	1584, SD 1	Jointly to the Committee on Human Services and Housing and the Committee on Health, then to the Committee on Finance
1465, SD 1	Committee on Judiciary, then to the Committee on Finance	1589, SD 1	Committee on Consumer Protection and Commerce
1468, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Consumer Protection and Commerce	1593, SD 1	Committee on Energy and Environmental Protection, then to the Committee on Judiciary, then to the Committee on Finance
1477, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary, then to the Committee on Finance	1594	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary
1478, SD 2	Committee on Transportation, then to the Committee on Finance	1599, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
1479, SD 1	Committee on Public Safety and Military Affairs, then to the Committee on Finance	1603, SD 1	Committee on Judiciary
1484	Committee on Health, then to the Committee on Consumer Protection and Commerce	1604, SD 1	Committee on Judiciary, then to the Committee on Finance
1489, SD 2	Committee on Legislative Management, then to the Committee on Finance	1605, SD 1	Committee on Judiciary
1492, SD 1	Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance		
1495, SD 1	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance		
1496	Committee on Agriculture, then to the Committee on Finance		

1606, SD 1	Committee on Legislative Management, then to the Committee on Judiciary	59	Committee on International Affairs
1611	Committee on Energy and Environmental Protection, then to the Committee on Economic Development and Business Concerns, then to the Committee on Finance	60	Committee on Economic Development and Business Concerns, then to the Committee on Finance
1619, SD 2	Committee on Water, Land Use, and Hawaiian Affairs, then jointly to the Committee on Public Safety and Military Affairs and the Committee on Tourism and Culture, then to the Committee on Finance	61	Jointly to the Committee on Energy and Environmental Protection and the Committee on Judiciary
1621	Committee on Finance	64	Committee on International Affairs
1626, SD 1	Committee on Economic Development and Business Concerns, then jointly to the Committee on Education and the Committee on Higher Education, then to the Committee on Finance	65	Committee on Economic Development and Business Concerns, then to the Committee on Water, Land Use, and Hawaiian Affairs
1629, SD 1	Committee on Tourism and Culture, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance	66	Committee on International Affairs, then to the Committee on Health
1630	Committee on Consumer Protection and Commerce	67	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary
1635	Committee on Labor and Public Employment, then to the Committee on Judiciary		
1636, SD 1	Committee on Judiciary	<u>H.C.R.</u>	<u>Referred to:</u>
1638	Committee on Labor and Public Employment, then to the Committee on Judiciary, then to the Committee on Finance	<u>Nos.</u>	
1647, SD 2	Committee on Human Services and Housing, then to the Committee on Consumer Protection and Commerce, then to the Committee on Finance	55	Jointly to the Committee on Economic Development and Business Concerns and the Committee on Energy and Environmental Protection, then to the Committee on Finance
1657, SD 1	Committee on Transportation, then jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Finance	56	Committee on Judiciary
1661, SD 2	Committee on Human Services and Housing, then to the Committee on Transportation, then to the Committee on Finance	57	Committee on Economic Development and Business Concerns, then to the Committee on Finance
1675	Committee on Health, then to the Committee on Judiciary, then to the Committee on Finance	58	Committee on Consumer Protection and Commerce
1676	Committee on Health, then to the Committee on Labor and Public Employment, then to the Committee on Finance	59	Jointly to the Committee on Energy and Environmental Protection and the Committee on Judiciary
1700, SD 1	Committee on Education, then to the Committee on Finance	60	Committee on Higher Education
		61	Jointly to the Committee on Human Services and Housing and the Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Finance
		62	Committee on International Affairs
		63	Committee on Transportation
		64	Committee on Tourism and Culture
		65	Committee on International Affairs, then to the Committee on Health
		66	Committee on Water, Land Use, and Hawaiian Affairs, then to the Committee on Judiciary

The following House Resolutions (H.R. Nos. 58 through 61, and 64 through 67), House Concurrent Resolutions (H.C.R. Nos. 55 through 66), and Senate Concurrent Resolution (S.C.R. No. 13) were referred to committee by the Speaker:

H.R.
Nos.

Referred to:

58 Committee on Judiciary

S.C.R.
No.

Referred to:

13,
SD 1 Jointly to the Committee on Health and the Committee on Human Services and Housing, then to the Committee on Finance

COMMITTEE REASSIGNMENTS

The following resolution and concurrent resolution were re-referred to committee by the Speaker:

H.R.**Nos. Re-referred to:**

36 Jointly to the Committee on Education and the Committee on Higher Education

H.C.R.**Nos. Re-referred to:**

31 Jointly to the Committee on Education and the Committee on Higher Education

**INTRODUCTION OF RESOLUTIONS
(FLOOR PRESENTATIONS)**

The following resolutions (H.R. Nos. 68 and 69) were announced by the Clerk and the following action taken:

H.R. No. 68, entitled: "HOUSE RESOLUTION RECOGNIZING KEHAULANI CHRISTIAN ON HER SUCCESSFUL REIGN AS MISS HAWAII 2002," was jointly offered by Representatives Chang and Karamatsu.

Representative Chang, moved that H.R. No. 68 be adopted, seconded by Representative Karamatsu.

Representative Chang introduced the honoree and guests who were seated on the floor:

Ms. Kehaulani Christian, Miss Hawaii, 2002;

Mrs. Nani Lee Christian, mother; and

Ms. Billie Takaki, friend and former Miss Hawaii.

At this time, Representative Chang also introduced the following members from the Miss Hawaii Scholarship Development Board, who were seated in the gallery:

Mr. Don Harada, President; Ms. Regina Felipe, Secretary; Mr. Greg Tsuda, Treasurer; Ms. Cathy Foy-Mahi, former Miss Hawaii; Mr. Herbert Hirota; Ms. JoJi Baptiste; Mr. Chuck Gee; Dr. Dennis Momyer; Mr. Larry Nakano; Mr. Thom McGarvey; Ms. Susie Mahelona; Ms. Wendy Loh; and Ms. Debbie Nakanelua-Richards.

The motion was put to vote by the Chair and carried, and H.R. No. 68 was adopted with Representatives Kaho'ohalahala, Leong, Marumoto, Meyer, Nakasone, Nishimoto, Pendleton, Takamine, and Wakai being excused.

H.R. No. 69, entitled: "HOUSE RESOLUTION CONGRATULATING EDUCATORS LYNNE AKI JOHNSON AND LEONARD VILLANUEVA AS RECIPIENTS OF THE 2002-03 MILKEN FAMILY FOUNDATION NATIONAL EDUCATOR AWARD FOR THEIR OUTSTANDING CONTRIBUTIONS TO EDUCATION IN HAWAII," was jointly offered by Representatives Karamatsu, Thielen, Takai, Nishimoto, Arakaki, Shimabukuro, Kahikina, Magaoay, Chang, Takumi, Caldwell, Tamayo, Wakai, Souki, Kaho'ohalahala, Nakasone, Hiraki, Kawakami, Stonebraker, Evans and Herkes.

Representative Karamatsu, moved that H.R. No. 69 be adopted, seconded by Representative Thielen.

Representative Karamatsu introduced honoree Mr. Leonard Villanueva, a 4th grade teacher from Honowai Elementary School in Waipahu, who was seated on the floor.

At this time, Representative Karamatsu introduced Mr. Villanueva's parents, Mr. Jose and Mrs. Judith Villanueva; his niece, Ms. Christina Boncales; and his nephew, Mr. Alika Cortez, who were seated in the gallery.

Representative Thielen then introduced honoree Ms. Lynne Aki Johnson, a 3rd grade teacher from Aikahi Elementary School in Kailua, who was also seated on the floor.

Representative Thielen also recognized Ms. Johnson's husband, Mr. Jim Johnson, who was seated in the gallery.

The motion was put to vote by the Chair and carried, and H.R. No. 69 was adopted with Representatives Hiraki, Kaho'ohalahala, Marumoto, Meyer, Nakasone, Nishimoto, Pendleton, Takamine, and Wakai being excused.

At 12:30 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:40 o'clock p.m.

LATE INTRODUCTION

The following late introduction was made to the members of the House:

Representative Arakaki introduced students from Okinawa participating in the student exchange program; their teachers, Mr. Nobuo Arakaki, Ms. Shihoko Ichi of Nishihara Sr. High, Mr. Hiroshi Tamaki of Chinen Sr. High; and Ms. Lana Mito, DOE Student Activities Coordinator.

STANDING COMMITTEE REPORTS

Representative Arakaki, for the Committee on Health presented a report (Stand. Com. Rep. No. 859), recommending that H.C.R. No. 7, as amended in HD 1, be referred to the Committee on Legislative Management.

On motion by Representative Saiki, seconded by Representative Lee and carried, the report of the Committee was adopted and H.C.R. No. 7, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO CONDUCT A STUDY OF PROPOSED MANDATORY HEALTH INSURANCE COVERAGE FOR HEARING AID DEVICES AND SERVICES," was referred to the Committee on Legislative Management with Representatives Arakaki, Kahikina, Kaho'ohalahala, Marumoto, Nishimoto, Pendleton, Takamine and Wakai being excused.

Representative M. Oshiro, for the Committee on Labor and Public Employment presented two reports:

(Stand. Com. Rep. No. 860), recommending that H.R. No. 27, as amended in HD 1, be referred to the Committee on Finance; and

(Stand. Com. Rep. No. 861), recommending that H.C.R. No. 23, as amended in HD 1, be referred to the Committee on Finance.

Representative Saiki moved that the reports of the Committee be adopted and H.R. No. 27, HD 1 and H.C.R. No. 23, HD 1, be referred to the Committee on Finance, seconded by Representative Lee.

Representative Morita rose to speak in support of the measures, stating:

"Both on Standing Committee Report 860 and 861, I rise in support. The Hawaii State Commission on the Status of Woman is the only statewide governmental and community resource dedicated to addressing the broad scope of issues impacting women and girls in Hawaii, through its advocacy, education, collaboration and program development.

"Mr. Speaker, you may ask why the role of the Commission is so important? Well the status of women and girls within their community is one of the most important and critical indicators as to the quality of life, social justice and equity within that society. So Mr. Speaker, I rise in strong support and would like to submit additional comments into the Journal," and the Chair "so ordered."

Representative Morita's written remarks are as follows:

"Mr. Speaker: I rise in support of these resolutions.

"The Hawaii State Commission on the Status of Women is the only State agency to ensure women and girls full and equal coverage under the law by:

"Informing governmental agencies, non-governmental agencies, and the public of women's rights opportunities and responsibilities;

"Advocating for the enactment and revision of laws and policies that eliminate gender discrimination;

"Identifying, developing and supporting programs and projects that address women's concerns and needs; and

"Establishing and maintaining an active presence in the community by facilitating information dissemination, acting as a communications liaison, and participating on community boards, coalitions and other related efforts.

"The Commission has been very instrumental in monitoring and coordinating legislative activity. For example, during the 2002 Legislative Session the Commission played a key role in the passage of 29 bills impacting women and children, 25 of these measures were enacted.

"Support of the Commission is essential to improve the quality of life for all of Hawaii's families as the best indicator of the health of a community is the status of its women and girls."

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

"Mr. Speaker, I would like to speak in favor of the two resolutions, 860 and 861. Back in the 2000 Session, this House, and the Senate as well, passed HCR No. 7. This was the resolution in support of the Commission of the Status of Women. And one of the most important lines within the resolution that was passed in the year 2000 was this:

The Commission is integral to provide core services and in educating, coordinating, and disseminating information regarding women, family and community issues statewide.

"I'd like the contents of the resolution that we passed in the year 2000 to be inserted into the record," and the Chair "so ordered."

Representative Lee submitted H.C.R. No. 7, HD 1, adopted by the 2000 Legislature, as follows:

"House of Representatives
Twentieth Legislature, 2000
State of Hawaii

H.C.R. No. 7, HD 1

SUPPORTING THE HAWAII STATE COMMISSION ON THE STATUS OF WOMEN.

WHEREAS, the status of women is key to the condition, stability, and well-being of society; and

WHEREAS, the contributions by women to the overall health of the national and state economy are significant. Consider these facts:

(1) Women-owned businesses employ one in four Americans and contribute annually \$2.3 trillion to the United States economy; and

(2) Women make 80 percent of consumer decisions; and

WHEREAS, women's dual commitment to family and work is a fundamental function in the community, and therefore women's concerns and perspectives in policy-making is key; and

WHEREAS, on the celebrated occasion of the 80th anniversary of women's suffrage in the United States, the majority of voters nationwide is women; and

WHEREAS, despite the impressive roles and functions of women to the community, the situation of women is still cause for concern. Consider these facts:

(1) Two-thirds of the 60 million women who work outside of the home do not have a pension plan and those that do receive half as much as men;

(2) Roughly 40 percent of women over 65 years of age are poor or almost poor as compared to less than 13 percent for men;

(3) Women of childbearing age (15-44) pay 68 percent more in out-of-pocket health care costs than their male counterparts;

(4) Domestic violence is now recognized as a leading cause of death for women ages 14-44 worldwide; and

(5) Nationally, 63 percent of women with children under the age of six work and 78 percent of women with children 6-17 are in the labor force (the percentages for Hawaii are much higher);

and

WHEREAS, advancing women's causes must continue for the betterment of society; and

WHEREAS, the Hawaii's State Commission on the Status of Women (Commission) was established by the Governor by executive order on May 15, 1964, to, among other things, coordinate research planning, programming, and action on the opportunities, needs, problems, and contributions of women in

Hawaii in education, homemaking, civil and legal rights, labor and employment, and expanded community horizons; and

WHEREAS, since its inception, the Commission has consistently promoted the equality of women and gender equity issues; and

WHEREAS, the Commission's statutorily mandated functions and responsibilities in the following areas include:

(1) Acting as a central clearinghouse and coordinating body for governmental and nongovernmental activities and information relating to the status of women;

(2) Accumulating, compiling, and publishing information concerning instances of actual discrimination, and discrimination in the law, against women;

(3) Cooperating with the Department of Labor and Industrial Relations, other state departments and agencies, and appropriate federal offices and agencies in correcting unlawful employment practices in public and private employment involving discrimination because of sex;

(4) Creating public awareness and understanding of the responsibilities, needs, potential, and contributions of women as homemakers, workers, and active participants in the community and the importance of each of these roles in society;

(5) Recommending legislative and administrative action on equal treatment and opportunities for women;

(6) Seeking improvements in educational and counseling programs and policies to meet the needs of girls and women to better prepare them for their roles in the home and community;

(7) Encouraging a long-range program of education for women of their political rights and responsibilities, particularly with respect to their voting duties;

(8) Maintaining contacts with appropriate federal, state, local, and international agencies concerned with the status of women; and

(9) Cooperating with national groups on the status of women and arranging for participation by representatives of the State in White House conferences and other national conferences;

and

WHEREAS, these key services are critical to the well-being of the community at-large and essential in furthering social, economic, and political equality for women; and

WHEREAS, moreover, the Commission is integral to providing core services and in educating, coordinating, and disseminating information regarding women, family, and community issues statewide; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twentieth Legislature of the State of Hawaii, Regular Session of 2000, the Senate concurring, that this body supports the Hawaii State Commission on the Status of Women; and

BE IT FURTHER RESOLVED that the Governor allocate adequate funding to the Hawaii State Commission on the Status of Women so that it may be able to carry out its duties as mandated by law; and

BE IT FURTHER RESOLVED that certified copies of this Concurrent Resolution be transmitted to the Governor and the

Executive Director of the Commission on the Status of Women."

Representative M. Oshiro rose to speak in support of the measures, stating:

"Mr. Speaker, I rise in support of the resolutions. Just briefly, Mr. Speaker. As the Chair of your Labor and Public Employment Committee, I'd just like to reaffirm the support of your Committee members. We noticed in the hearing that your Labor and Public Employment Committee is comprised totally of male members. But notwithstanding that, we did support this resolution.

"In fact, Mr. Speaker we went even further than the proponents initially thought. We amended the resolution from "House Resolution Supporting the Hawaii State Commission of the Status of Women," to actually read, "Urging the Governor to Allocate Adequate Funding to the Hawaii State Commission of the Status of Women to Enable Them to Carry Out Their Mission and Duties as Mandated by Law." Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the reports of the Committee were adopted and H.R. No. 27, HD 1, entitled: "HOUSE RESOLUTION URGING THE GOVERNOR TO ALLOCATE ADEQUATE FUNDING TO THE HAWAII STATE COMMISSION ON THE STATUS OF WOMEN TO ENABLE IT TO CARRY OUT ITS MISSION AND DUTIES AS MANDATED BY LAW," was referred to the Committee on Finance with Representatives Arakaki, Kahikina, Kaho'ohalahala, Marumoto, Nishimoto, Pendleton, Takamine and Wakai being excused.

and

H.C.R. No. 23, HD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR TO ALLOCATE ADEQUATE FUNDING TO THE HAWAII STATE COMMISSION ON THE STATUS OF WOMEN TO ENABLE IT TO CARRY OUT ITS MISSION AND DUTIES AS MANDATED BY LAW," was referred to the Committee on Finance with Representatives Arakaki, Kahikina, Kaho'ohalahala, Marumoto, Nishimoto, Pendleton, Takamine and Wakai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 862) recommending that H.B. No. 200, as amended in HD 1, pass Second Reading and be placed on the calendar for Third Reading.

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 200, HD 1, pass Second Reading and be placed on the calendar for Third Reading, seconded by Representative Lee.

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

"I'd like to rise with reservations on the budget bill before us. Just brief remarks. I know that we will get to this again on Third Reading. But I'd just like to say for the Members that our budget has increased, almost doubled, in the past ten years.

"It is an excellent idea when we begin to budget fiscally responsibly. I hope that we can do that with this budget bill, HB 200, HD 1. I look forward to the next go around. It is an incredibly thick bill. I have my reading to do, and I hope the Members study this issue very closely because I believe it will probably be a topic of hot debate. Thank you."

Representative Halford rose and asked that the Clerk record an aye vote with reservations for him, and the Chair "so ordered."

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

"With reservations. I think it is a work in progress."

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

"As you know, Mr. Speaker. I've been on Finance Committee for a number of years and I have my reservations, especially with some of the comments in the Committee Report."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 200, 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, Kahikina, Kaho'ohalahala, Marumoto, Nishimoto, Pendleton, Takamine and Wakai being excused.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 863) recommending that H.B. No. 808, as amended in HD 1, pass Third Reading.

By unanimous consent, consideration of Stand. Com. Rep. No. 863 on H.B. 808, HD 1, was deferred and in accordance with Article III, Section 15 of the Constitution of the State of Hawaii, printed copies of H.B. No. 808, HD 1, were made available to the members of the House.

Representative Takamine, for the Committee on Finance presented a report (Stand. Com. Rep. No. 864) recommending that H.B. No. 1300, HD 1, as amended in HD 2, pass Third Reading.

By unanimous consent, consideration of Stand. Com. Rep. No. 864 on H.B. 1300, HD 2, was deferred and in accordance with Article III, Section 15 of the Constitution of the State of Hawaii, printed copies of H.B. No. 1300, HD 2, were made available to the members of the House.

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 64 through 67 and 70) and concurrent resolutions (H.C.R. Nos. 61 through 67) were referred to Printing and further action was deferred:

H.R. No. 64, entitled: "HOUSE RESOLUTION REQUESTING THE OFFICE OF THE GOVERNOR TO DETERMINE THE IMPACT OF THE COMPACT OF FREE ASSOCIATION ON THE STATE OF HAWAII, AND REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION IN CONGRESS CALLING FOR FURTHER REVIEW OF THE MIGRATION ISSUE AND FOR INCREASED AID FOR THE EDUCATIONAL AND SOCIAL IMPACT OF THE COMPACT, AND ANY NEWLY RENEGOTIATED COMPACT, ON THE STATE OF HAWAII," was offered by Representative Saiki, by request.

H.R. No. 65, entitled: "HOUSE RESOLUTION URGING THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM AND THE DEPARTMENT OF LAND AND NATURAL RESOURCES TO PLAN FOR THE CREATION OF AN EQUESTRIAN TRAINING FACILITY ON THE LEEWARD COAST," was jointly offered by Representatives B. Oshiro, Waters, Tamayo and Mindo.

H.R. No. 66, entitled: "HOUSE RESOLUTION STRONGLY URGING THE GLAXOSMITHKLINE CORPORATION TO IMMEDIATELY RESUME PRESCRIPTION DRUG DELIVERIES TO CANADIAN-BASED MAIL-ORDER PHARMACIES," was jointly offered by Representatives Takumi, Mindo, Caldwell, Takai, B. Oshiro, Kanoho, Kaho'ohalahala, Kahikina, Schatz, Nishimoto, M. Oshiro, Magaoay, Souki, Hamakawa, Herkes, Takamine, Sonson and Abinsay.

H.R. No. 67, entitled: "HOUSE RESOLUTION REQUESTING FURTHER INQUIRY WITH RESPECT TO THE DESIGNATION OF LANDS ON THE ISLAND OF HAWAII AS CRITICAL HABITAT," was jointly offered by Representatives Takamine, Shimabukuro, Hale, Lee, Kanoho, Karamatsu, Magaoay, Kahikina, M. Oshiro, Sonson, Tamayo, Wakai, Hamakawa, Arakaki, Kawakami, Souki, Saiki, Abinsay and Nakasone.

H.R. No. 70, entitled: "HOUSE RESOLUTION REQUESTING THE PRESIDENT OF THE UNITED STATES TO SERVE KONA COFFEE AT THE WHITE HOUSE," was jointly offered by Representatives Jernigan, Fox, Moses, Leong, Ching, Ontai and Finnegan.

H.C.R. No. 61, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DEPARTMENT OF HAWAIIAN HOME LANDS TO FAST-TRACK THE CLEAN UP AND DEVELOPMENT OF LANDS AT KALAELOA TO EXPEDITE THE ISSUANCE OF LEASES TO NATIVE HAWAIIANS," was jointly offered by Representatives Mindo, Shimabukuro, Nishimoto, Waters, Kawakami, Nakasone, Magaoay and Karamatsu.

H.C.R. No. 62, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE OFFICE OF THE GOVERNOR TO DETERMINE THE IMPACT OF THE COMPACT OF FREE ASSOCIATION ON THE STATE OF HAWAII, AND REQUESTING HAWAII'S CONGRESSIONAL DELEGATION TO INTRODUCE LEGISLATION IN CONGRESS CALLING FOR FURTHER REVIEW OF THE MIGRATION ISSUE AND FOR INCREASED AID FOR THE EDUCATIONAL AND SOCIAL IMPACT OF THE COMPACT, AND ANY NEWLY RENEGOTIATED COMPACT, ON THE STATE OF HAWAII," was offered by Representative Saiki, by request.

H.C.R. No. 63, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE OAHU METROPOLITAN PLANNING ORGANIZATION TO INCLUDE THE WAIANAE SECOND ACCESS ROAD PROJECT IN THE TOP 2025 AND TO IDENTIFY IMMEDIATE SOURCES OF FUNDING FOR THE PROJECT," was jointly offered by Representatives Kahikina, Shimabukuro, Sonson, Tamayo, Karamatsu, Mindo, Waters, Nishimoto and Arakaki.

H.C.R. No. 64, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING HAWAII'S HOTELS TO PROVIDE FACILITIES FOR EMAIL AND INTERNET ACCESS FOR THEIR GUESTS," was jointly offered by Representatives Karamatsu, Kahikina, Shimabukuro, Lee, Tamayo, Magaoay, Takai, B. Oshiro, Saiki, Abinsay, Morita, Hale, Kanoho, Nishimoto, Luke, Ito, Mindo, Souki, Hamakawa, Wakai, Schatz, Chang, Takumi, Arakaki, Caldwell, Herkes, Kaho'ohalahala, M. Oshiro, Kawakami, Takamine, Evans, Hiraki, Say, Nakasone, Waters and Sonson.

(Kaho'ohalahala, Marumoto, Nishimoto, Pendleton, Takamine, and Wakai were excused.)

H.C.R. No. 65, entitled: "HOUSE CONCURRENT RESOLUTION STRONGLY URGING THE GLAXOSMITHKLINE CORPORATION TO IMMEDIATELY RESUME PRESCRIPTION DRUG DELIVERIES TO CANADIAN-BASED MAIL-ORDER PHARMACIES," was jointly offered by Representatives Takumi, Caldwell, B. Oshiro, Takai, Kanoho, Magaoay, Kahikina, Nishimoto, Kaho'ohalahala, Schatz, M. Oshiro, Mindo, Sonson, Souki, Hamakawa, Herkes, Karamatsu, Hale, Abinsay, Tamayo, Kawakami and Takamine.

H.C.R. No. 66, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING FURTHER INQUIRY WITH RESPECT TO THE DESIGNATION OF LANDS ON THE ISLAND OF HAWAII AS CRITICAL HABITAT," was jointly offered by Representatives Takamine, M. Oshiro, Shimabukuro, Hale, Lee, Sonson, Kanoho, Karamatsu, Magaoay, Kahikina, Tamayo, Wakai, Hamakawa, Saiki, Arakaki, Souki, Kawakami, Abinsay and Nakasone.

H.C.R. No. 67, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE PRESIDENT OF THE UNITED STATES TO SERVE KONA COFFEE AT THE WHITE HOUSE," was jointly offered by Representatives Jernigan, Fox, Moses, Ching, Leong, Ontai and Finnegan.

ANNOUNCEMENTS

At 12:47 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:48 o'clock p.m.

Representative Morita: "Thank you, Mr. Speaker. May I ask for a moment of silence. Yesterday, I learned that Representative Kaho'ohalahala lost his mother yesterday morning. So we all send him our deepest sympathy right now, as he works to make the arrangements with his family back home."

At this time the Members of the House of Representatives rose for a moment of silence in memory of Representative Kaho'ohalahala's mother, Mrs. Elizabeth Kaho'ohalahala.

Speaker Say: "Before we leave the House floor, let us all pray, on your own, for Representative Pendleton's father who is very ill and is in Castle Hospital."

ADJOURNMENT

At 12:49 o'clock p.m. on motion by Representative Lee, seconded by Representative Meyer and carried, the House of Representatives adjourned until 12:00 o'clock noon tomorrow, Tuesday, March 11, 2003. (Representatives Arakaki, Kahikina,