

FIFTY-NINTH DAY

Tuesday, April 29, 2008

The House of Representatives of the Twenty-Fourth Legislature of the State of Hawaii, Regular Session of 2008, convened at 10:08 o'clock a.m., with the Speaker presiding.

The invocation was delivered by Father Marc Alexander, Vicar General of the Roman Catholic Diocese, after which the Roll was called showing all members present with the exception of Representative Nakasone, who was excused.

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

GOVERNOR'S MESSAGES

The following messages from the Governor (Gov. Msg. Nos. 334 through 336) were received and announced by the Clerk and were placed on file:

Gov. Msg. No. 334, dated April 25, 2008, transmitting the Report on Homeless Services for Fiscal Year 2006-2007, pursuant to Act 213, Part III, Section 62.

Gov. Msg. No. 335, informing the House that on April 28, 2008, the following bill was signed into law:

H.B. No. 2517, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES." (ACT 040)

Gov. Msg. No. 336, dated April 25, 2008, transmitting the Hawaii Health Systems Corporation Report to the Legislature on the annual audit and report for FY 2007; disclosure of revenue projections for FY08; and capital improvement projects for FY 2008; pursuant to Chapter 323F-22.

SENATE COMMUNICATIONS

The following communications from the Senate (Sen. Com. Nos. 718 through 722) were received and announced by the Clerk:

Sen. Com. No. 718, transmitting H.C.R. No. 16, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES CONGRESS TO RATIFY THE UNITED NATIONS CONVENTION ON THE ELIMINATION OF ALL FORMS OF DISCRIMINATION AGAINST WOMEN," which was adopted by the Senate on April 25, 2008.

Sen. Com. No. 719, transmitting H.C.R. No. 112, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE DEPARTMENT OF LAND AND NATURAL RESOURCES AND THE COUNTY OF HAWAII TO PREPARE A COORDINATED, COMPREHENSIVE PLAN TO ADDRESS THE NEEDS AND CONCERNS OF THE LESSEES FACING EVICTION UPON THE EXPIRATION OF THE LEASES AT THE KANOELEHUA INDUSTRIAL PARK," which was adopted by the Senate on April 25, 2008.

Sen. Com. No. 720, transmitting H.C.R. No. 258, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE OFFICE OF STATE PLANNING TO COORDINATE THE CITY AND STATE AGENCIES IN ADDRESSING THE OVERGROWTH OF VEGETATION ON KAHALA BEACH," which was adopted by the Senate on April 25, 2008.

Sen. Com. No. 721, transmitting H.C.R. No. 71, H.D. 2, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE BOARD OF EDUCATION TO STUDY SCHOOL BUS SEAT BELT POLICIES AND COMPILER DATA RELATING TO

SCHOOL BUS SAFETY AND TO REPORT TO THE LEGISLATURE WITH RECOMMENDATIONS," which was adopted by the Senate on April 25, 2008.

Sen. Com. No. 722, dated, April 25, 2008, informing the House that the Senate has on April 24, 2008, reconsidered its action taken on April 23, 2008, in disagreeing to the amendment proposed by the House to the following Senate Concurrent Resolution and has moved to agree to the amendments and that said resolution has this day been Adopted:

S.C.R. No. 124, SD 1, HD 1 "REQUESTING THE AUDITOR TO CONDUCT A FINANCIAL AND MANAGEMENT AUDIT OF THE DEPARTMENT OF HUMAN SERVICES MEDICAID-SPONSORED PROGRAMS."

INTRODUCTIONS

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

Representative Cabanilla introduced members of her staff, Mr. Daniel DeGracia, II, and Mr. Christopher Manabat.

Representative Ching introduced the 3rd grade students of Likelike Elementary School and their teachers, Ms. Debbie Ng, Ms. Carine Mayeda, and Ms. Angie Catorie; and Special Education Aide, Ms. Brenda Zamora.

Representative Sonson recognized a member of the HPU Co-ed Cheer and Dance Team coaching staff, and acknowledged the award-winning team.

At 10:18 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:41 o'clock a.m.

ORDER OF THE DAY

SUPPLEMENTAL CALENDAR #1

At this time, the Chair announced:

"Members, please turn your attention to your Supplemental Calendar #1. As you know, the Senate President and I waived the Friday midnight deadline for the filing of Committee Reports and Conference Drafts for certain measures which were agreed upon in public on Friday evening. I wanted to take this opportunity to explain the procedural reasons why these Reports and proposed drafts were not filed on Friday night, and the reasons why the President and I waived the deadline.

"Back in December of 2007, the Senate President and I prepared an internal Legislative Timetable, setting April 25, 2008 as the last day to file fiscal bills for constitutional decking purposes prior to Final Reading. On April 2nd of this year, the President and I also signed the Conference Committee Guidelines that provided in paragraph 11c that all Conference Committee Reports for fiscal bills should be filed by 11:30 p.m. on Friday, April 25th.

"I believe all of you realize however, that several measures were being negotiated up to the last few minutes before midnight on Friday night. Several Conference Committees, even though they had reached agreement on the substance of the measure, did not have the time to prepare and adequately review the Conference Committee Reports and the final form of the Conference drafts

prior to the filing deadline. Therefore, the President and I exercised our powers under Rule 13 of the Conference Committee Guidelines for an exception to this deadline for these measures, which were agreed upon in public. We allowed these measures to be filed with the respective Clerk's Offices between 10 a.m. and 12 noon on Saturday, April 26.

"The President and I felt that since the Conferees had reached a timely agreement on their bills, allowing these measures to die based on an internal procedural deadline for filing the requisite paper work with the Clerk's Office in each Chamber was not in the best interest for the people of the State of Hawaii. Rather we felt it was incumbent and important to exercise the discretion that the guidelines gave us to waive that deadline and ensure that important initiatives, such as pedestrian safety, important agricultural lands management, renewable energy, and highway safety would reach the Floor of both Chambers for Final Reading as the Conference Committees intended.

"I wish to emphasize that previous Legislatures, when facing similar situations in the past, have followed the same procedure we will be following with these measures. The Conference Committee Reports and Conference drafts for the measures received by 12 noon on Saturday, April 26 are listed on today's Supplemental Order of the Day. Please note that these measures, and any Floor Amendments appropriately offered and acted upon today on these measures, will receive the required 48-hour notice of final form as required by our State Constitution and will therefore be before this Chamber for Final Reading on Thursday, May 1.

"At this time the Chair will entertain any Floor Amendments to any item listed on the Supplemental Order of the Day."

Representative Marumoto rose to a point of information, stating:

"Mr. Speaker, a point of information. The memo was not unusual. We have seen this procedure before, but I do believe the memo read that Committee Reports would be accepted Saturday, April 26 between 10 p.m. and noon."

The Chair responded, stating:

"No, it should be 10 a.m. in the morning."

Representative Marumoto: "It did say 10 p.m., so it would be a typographical error. Is that correct?"

Speaker Say: "That is correct. If it is a typographical error, at this point, I really don't know. But on Friday evening, it was stated that from 10 a.m. to 12 noon, that the Clerk's Office would be open to receive measures for filing."

At 10:47 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:48 o'clock a.m.

Representatives Souki, Waters and Har, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 3377, SD 2, presented a report (Conf. Com. Rep. No. 139-08) recommending that H.B. No. 3377, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 139-08 and H.B. No. 3377, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," was deferred for a period of 48 hours.

Representatives Souki and Carroll, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2531, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 140-08) recommending that H.B. No. 2531, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 140-08 and H.B. No. 2531, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE WEST MAUI TRANSPORTATION ACCESS PLAN," was deferred for a period of 48 hours.

Representatives Souki and Lee, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 357, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 141-08) recommending that H.B. No. 357, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 141-08 and H.B. No. 357, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRAFFIC SAFETY," was deferred for a period of 48 hours.

Representatives Tsuji, Souki, Morita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2843, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 142-08) recommending that H.B. No. 2843, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 142-08 and H.B. No. 2843, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," was deferred for a period of 48 hours.

Representatives Tsuji, Yamashita and Hanohano, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 3120, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 143-08) recommending that H.B. No. 3120, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 143-08 and H.B. No. 3120, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL QUARANTINE FACILITIES," was deferred for a period of 48 hours.

Representatives Tsuji, Ito and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2293, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 144-08) recommending that H.B. No. 2293, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 144-08 and H.B. No. 2293, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," was deferred for a period of 48 hours.

Representatives Green, Shimabukuro, Magaoay and Mizuno, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 3352, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 145-08) recommending that H.B. No. 3352, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 145-08 and H.B. No. 3352, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AN AUDIT OF THE HAWAII DISABILITY RIGHTS CENTER," was deferred for a period of 48 hours.

Representatives Morita, Ito, Herkes and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2863, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 146-08) recommending that H.B. No. 2863, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 146-08 and H.B. No. 2863, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," was deferred for a period of 48 hours.

Representatives Morita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2505, HD 2, SD 2, presented a report (Conf. Com. Rep. No. 147-08) recommending that H.B. No. 2505, HD 2, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 147-08 and H.B. No. 2505, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY," was deferred for a period of 48 hours.

Representatives Morita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2507, HD 1, SD 2, presented a report (Conf. Com. Rep. No. 148-08) recommending that H.B. No. 2507, HD 1, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 148-08 and H.B. No. 2507, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GREENHOUSE GAS EMISSIONS REDUCTION," was deferred for a period of 48 hours.

Representatives Ito and Karamatsu, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2872, SD 2, presented a report (Conf. Com. Rep. No. 149-08) recommending that H.B. No. 2872, SD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 149-08 and H.B. No. 2872, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," was deferred for a period of 48 hours.

Representatives Ito, Waters and Karamatsu, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 2704, HD 2, SD 1, presented a report (Conf. Com. Rep. No. 150-08) recommending that H.B. No. 2704, HD 2, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 150-08 and H.B. No. 2704, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HA`IKU VALLEY," was deferred for a period of 48 hours.

Representatives Tsuji, Morita and Hanohano, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2850, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 165-08) recommending that S.B. No. 2850, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 165-08 and S.B. No. 2850, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BIOSECURITY," was deferred for a period of 48 hours.

Representatives Waters and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 156, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 166-08) recommending that S.B. No. 156, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 166-08 and S.B. No. 156, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VOTING," was deferred for a period of 48 hours.

Representatives Shimabukuro, Ito and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3174, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 167-08) recommending that S.B. No. 3174, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 167-08 and S.B. No. 3174, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING," was deferred for a period of 48 hours.

Representatives Takumi, Sonson and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 3252, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 168-08) recommending that S.B. No. 3252, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 168-08 and S.B. No. 3252, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHERS," was deferred for a period of 48 hours.

Representatives Shimabukuro, Morita, Yamashita and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 644, SD 3, HD 3, presented a report (Conf. Com. Rep. No. 169-08) recommending that S.B. No. 644, SD 3, HD 3, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 169-08 and S.B. No. 644, SD 3, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY RESOURCES," was deferred for a period of 48 hours.

Representatives Takumi, Carroll and Lee, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 871, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 170-08) recommending that S.B. No. 871, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 170-08 and S.B. No. 871, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FOOD WASTE RECYCLING," was deferred for a period of 48 hours.

Representatives Evans and Har, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2082, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 171-08) recommending that S.B. No. 2082, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 171-08 and S.B. No. 2082, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," was deferred for a period of 48 hours.

Representatives Waters, Souki and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 1804, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 172-08) recommending that S.B. No. 1804, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 172-08 and S.B. No. 1804, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRAUMA SYSTEM SPECIAL FUND," was deferred for a period of 48 hours.

Representatives Evans, Waters and Har, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2083, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 173-08) recommending that S.B. No. 2083, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 173-08 and S.B. No. 2083, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SUPERVISION OF ADULT OFFENDERS," was deferred for a period of 48 hours.

Representatives Ito, Yamane and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2423, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 174-08) recommending that S.B. No. 2423, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 174-08 and S.B. No. 2423, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND ACQUISITION," was deferred for a period of 48 hours.

Representatives Tsuji and M. Oshiro, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2915, SD 2, HD 1, presented a report (Conf. Com. Rep. No. 175-08) recommending that S.B. No. 2915, SD 2, HD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 175-08 and S.B. No. 2915, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TARO," was deferred for a period of 48 hours.

Representatives Ito, Tsuji and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2198, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 176-08) recommending that S.B. No. 2198, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 176-08 and S.B. No. 2198, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND CONSERVATION," was deferred for a period of 48 hours.

Representatives Ito, Tsuji and Karamatsu, for the Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House in S.B. No. 2646, SD 2, HD 2, presented a report (Conf. Com. Rep. No. 177-08) recommending that S.B. No. 2646, SD 2, HD 2, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 177-08 and S.B. No. 2646, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IMPORTANT AGRICULTURAL LANDS," was deferred for a period of 48 hours.

Representative M. Oshiro, for the Committee on Conference on the disagreeing vote of the House to the amendments proposed by the Senate in H.B. No. 1412, HD 1, SD 1, presented a report (Conf. Com. Rep. No. 178-08) recommending that H.B. No. 1412, HD 1, SD 1, as amended in CD 1, pass Final Reading.

In accordance with Article III, Section 15, of the Constitution of the State of Hawaii, action on Conf. Com. Rep. No. 178-08 and H.B. No. 1412, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF TAXATION'S BENEFITS-FUNDED REVENUE-GENERATING COMPUTER INITIATIVES," was deferred for a period of 48 hours.

Conf. Com. Rep. No. 144-08 and H.B. No. 2293, HD 1, SD 2, CD 1:

At this time, Representative Tsuji offered Floor Amendment No. 4, amending H.B. No. 2293, HD 1, SD 2, CD 1, as follows:

SECTION 1. House Bill No. 2293, H.D. 1, S. D. 2, C. D. 1, is amended by amending Section 9 to read as follows:

"SECTION 9. If an agreement to acquire the property identified in section 8 of this Act is not reached within a reasonable time as determined by the department of land and natural resources, the department of land and natural resources shall exercise its power of eminent domain to acquire the property. For purposes of this Act, condemnation of the property shall not be subject to legislative disapproval; provided that the cost of acquiring the lands described in this Act does not exceed the amount of funds appropriated or authorized pursuant to section 10 of this Act and the Supplemental Appropriations Act of 2008."

Representative Tsuji moved that Floor Amendment No. 4 be adopted, seconded by Representative B. Oshiro.

The motion was put to vote by the Chair and carried, and Floor Amendment No. 4, amending H.B. No. 2293, HD 1, SD 2, CD 1, entitled: "RELATING TO AGRICULTURE," was adopted with Representative Nakasone being excused.

At 10:50 o'clock a.m., the Chair noted that Floor Amendment No. 4 was adopted, and that H.B. No. 2293, HD 1, SD 2, CD 2,

would be placed on the calendar for action on Thursday, May 1, 2008.

At 10:50 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 10:52 o'clock a.m.

Conf. Com. Rep. No. 149-08 and H.B. No. 2872, SD 2, CD 1:

At this time, Representative Ito offered Floor Amendment No. 5, amending H.B. No. 2872, SD 2, CD 1, as follows:

SECTION 1. House Bill No. 2872, S.D. 2, C.D. 1, is amended by amending Section 2 to add "or permittees" and "or permittee" as follows:

- (1) Page 1, line 12, "existing lessees or permittees";
- (2) Page 2, line 9, "Existing lessees or permittees";
- (3) Page 2, line 14, "each lessee or permittee";
- (4) Page 2, line 17, "The lessee or permittee";
- (5) Page 2, line 18, "the lessee or permittee"; and
- (6) Page 2, line 20, "the lease or permit".

Representative Ito moved that Floor Amendment No. 5 be adopted, seconded by Representative B. Oshiro.

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

"Mr. Speaker I wanted to disclose a potential conflict. The company that I'm employed with has a cabin," and the Chair ruled, "no conflict."

Representative Sagum continued in support of the proposed floor amendment, stating:

"Thank you. Mr. Speaker, I rise in favor of the floor amendment. I'd like to support this friendly floor amendment to ensure that the proper language is inserted which refers to the present holders of the month to month leases of Kokee. Therefore the only change to this bill as revised is, it adds, 'existing lessees or permittees' to the bill. Thank you, Mr. Speaker."

The motion that Floor Amendment No. 5, amending H.B. No. 2872, SD 2, CD 1, entitled: "RELATING TO PUBLIC LANDS," be adopted was put to vote by the Chair and carried, with Representative Nakasone being excused.

At 10:53 o'clock a.m., the Chair noted that Floor Amendment No. 5 was adopted, and that H.B. No. 2872, SD 2, CD 2, would be placed on the calendar for action on Thursday, May 1, 2008.

Conf. Com. Rep. No. 176-08 and S.B. No. 2198, SD 2, HD 2, CD 1:

At this time, Representative Ito offered Floor Amendment No. 6, amending S.B. No. 2198, SD 2, HD 2, CD 1, as follows:

SECTION 1. Senate Bill No. 2198, S.D. 2, H.D. 2, C.D. 1, is amended by amending subsection (d) from page 2, line 19 through page 3, line 11, by changing the formatting on page 3, lines 10-11 to read as follows:

"(d) The amount of the tax credit shall be:

(1) Fifty per cent of the fair market value of the land or interest in land that an eligible taxpayer donates in perpetuity after December 31, 2007, for a conservation or preservation purpose to the State, or public or private conservation agency. The fair market value of donations made under this section shall be substantiated by a qualified appraisal prepared by a qualified appraiser, as those terms are defined under applicable federal law and regulations governing charitable contributions; or

(2) Fifty per cent of the amount invested in the management of land pursuant to subsection (b)(2),

up to a maximum of \$1,000,000 in the aggregate for all qualified taxpayers for all years."

Representative Ito moved that Floor Amendment No. 6 be adopted, seconded by Representative B. Oshiro.

The motion was put to vote by the Chair and carried, and Floor Amendment No. 6, amending S.B. No. 2198, SD 2, HD 2, CD 1, entitled: "RELATING TO LAND CONSERVATION," was adopted with Representative Nakasone being excused.

At 10:54 o'clock a.m., the Chair noted that Floor Amendment No. 6 was adopted, and that S.B. No. 2198, SD 2, HD 2, CD 2, would be placed on the calendar for action on Thursday, May 1, 2008.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 34-08 and S.B. No. 2499, HD 1, CD 1:

At this time, Representative Yamane offered Floor Amendment No. 7, amending S.B. No. 2499, HD 1, CD 1, as follows:

SECTION 1. Senate Bill No. 2499, H.D. 1, C.D. 1, Section 4, is amended by replacing the proposed new language requiring certain actions and certification of the office of Hawaiian affairs prior to the Act becoming effective, with the following language:

""SECTION 4. This Act shall take effect on [~~January 1, 2025.~~] July 1, 2008.""

Representative Yamane moved that Floor Amendment No. 7 be adopted, seconded by Representative B. Oshiro.

Representative Yamane rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, I rise in strong support for this floor amendment. However I did want to speak on the intent of why the initial language was put into the bill. Mr. Speaker, when we were working on making kalo the State plant, there was much discussion among our colleagues about the issue of this important situation due to the discussions over taro these past two years. So Mr. Speaker, I did some research and I pulled one of the old books, written by Mary Kawena Pukui.

"I went back and I read and spent some time doing research on the importance of taro to the Hawaiian people. And through the research I learned about Wakea, the Sky Father, and his wife Papa, and having the *kalo*, Haloa, and its importance to the Hawaiian people. I felt, along with others, that if we made this the State

plant, it would be appropriate to have discussions amongst the peoples of the State of Hawaii.

"Mr. Speaker, the intent of putting that language into the bill was not to show that we did not feel that this was an important task to do. However, on the contrary, it was trying to show that we wanted this to be done in the most appropriate way with the most sensitivity possible. However Mr. Speaker, I do know that it would be best at this time to move this amendment forward to make this our State plant, effective immediately. Thank you."

The motion was put to vote by the Chair and carried, and Floor Amendment No. 7, amending S.B. No. 2499, HD 1, CD 1, entitled: "RELATING TO TARO," was adopted with Representative Nakasone being excused.

At 10:57 o'clock a.m., the Chair noted that Floor Amendment No. 7 was adopted, and that S.B. No. 2499, HD 1, CD 2, would be placed on the calendar for action on Thursday, May 1, 2008.

Conf. Com. Rep. No. 47-08 and S.B. No. 6, HD 2, CD 1:

At this time, Representative Ito offered Floor Amendment No. 8, amending S.B. No. 6, HD 2, CD 1, as follows:

SECTION 1. S.B. No. 6, H.D. 2, C.D. 1, is amended by amending subsection (b) of the new section added to chapter 188, Hawaii Revised Statutes, contained in section 2 of the bill to read as follows:

"(b) It shall be unlawful for any person at any time of the year to take, harvest, or possess opihi from below the waterline of any coastal area or nearshore waters of the islands of the State."

SECTION 2. S.B. No. 6, H.D. 2, C.D. 1, is amended by amending subsection (d) of the new section added to chapter 188, Hawaii Revised Statutes, contained in section 2 of the bill to read as follows:

"(d) It shall be unlawful for any person to take or harvest opihi from above the waterline of the coastal areas or nearshore waters of the State or be in possession of opihi within the State during the closed season from April 1st through September 30th, provided that frozen opihi taken or harvested from above the waterline during the open season from October 1st to March 31st may be possessed for sale or consumption during the closed season."

Representative Ito moved that Floor Amendment No. 8 be adopted, seconded by Representative B. Oshiro.

The motion was put to vote by the Chair and carried, and Floor Amendment No. 8, amending S.B. No. 6, HD 2, CD 1, entitled: "RELATING TO OPIHI," was adopted with Representative Nakasone being excused.

At 10:58 o'clock a.m., the Chair noted that Floor Amendment No. 8 was adopted, and that S.B. No. 6, HD 2, CD 2, would be placed on the calendar for action on Thursday, May 1, 2008.

Conf. Com. Rep. No. 125-08 and S.B. No. 2262, SD 1, HD 2, CD 1:

At this time, Representative Sonson offered Floor Amendment No. 9, amending S.B. No. 2262, SD 1 HD 2, CD 1, as follows:

Section 1. Senate Bill No. 2262, S.D. 1, H.D. 2, C.D. 1, is amended by amending section 2 to clarify the reporting deadlines and the scope of the independent audit and state auditor's review at

page 2, line 8 and lines 19-20, and page 3, lines 8-16, to read as follows:

"SECTION 2. (a) The board of trustees of the Hawaii employer-union health benefits trust fund shall conduct a certified independent financial audit of the Hawaii employer-union health benefits trust fund, pursuant to section 87A-24(7), Hawaii Revised Statutes, to cover the Hawaii State Teachers Association, retirees, employees, and employee-beneficiaries who have remained with the Hawaii employer-union health benefits trust fund whether in a bargaining unit or excluded from one, including the State and counties as the employer. The independent auditor shall consult with the state auditor for purposes of the audit to obtain the necessary information for purposes of subsection (b). The audit shall be completed no later than twenty days prior to the convening of the regular session of 2010. The findings and recommendations, including but not limited to methodology and actuarial assumptions, shall be presented to the State auditor for review.

(b) Based upon the independent financial audit under subsection (a), the state auditor shall make findings and recommendations concerning:

- (1) The benefit cost for each benefit plan, including medical, drug, dental, and vision coverage; and
- (2) Administrative cost for the Hawaii employer-union health benefits trust fund for the plan years July 1, 2006 to June 30, 2007, July 1, 2007 to June 30, 2008, and July 1, 2008 to June 30, 2009.

(c) The audit shall include an actuarial certification, to be made by the independent auditor contracted under subsection (a), of the benefit cost for each benefit plan, including medical, drug, dental, and vision, and administrative costs.

(d) Based upon the independent financial audit conducted under subsection (a), the state auditor shall make separate findings and recommendations for the Hawaii State Teachers Association voluntary employees' beneficiary association trust for the plan years July 1, 2006 to June 30, 2007, July 1, 2007 to June 30, 2008, and July 1, 2008 to June 30, 2009, in the same manner as set forth under subsections (a), (b), and (c).

(e) The state auditor shall submit a report of findings and recommendations to the legislature no later than twenty days prior to the convening of the regular session of 2010."

Representative Sonson moved that Floor Amendment No. 9 be adopted, seconded by Representative B. Oshiro.

Representative Sonson rose to speak in support of the proposed floor amendment, stating:

"Mr. Speaker, I stand in support of this amendment. It's a friendly amendment. It is merely to conform the dates. At first, when the bill went through the process, we had given the VEBA Trust a two-year extension on its repeal date. Since it went to Conference, it was reduced to one year and the changes that are being offered through the floor amendment are merely to conform some of the dates to ensure that there's a required study that needs to be done and it will be submitted at the appropriate date and time. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and Floor Amendment No. 9, amending S.B. No. 2262, SD 1 HD 2, CD 1, entitled: "RELATING TO HEALTH," was adopted with Representative Nakasone being excused.

At 11:01 o'clock a.m., the Chair noted that Floor Amendment No. 9 was adopted, and that S.B. No. 2262, SD 1 HD 2, CD 2,

would be placed on the calendar for action on Thursday, May 1, 2008.

At 11:01 o'clock a.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 11:01 o'clock a.m.

SUSPENSION OF RULES

On motion by Representative B. Oshiro, seconded by Representative Meyer and carried, the rules were suspended for the purpose of considering bills on Third Reading and Final Reading on the basis of a modified consent calendar. (Representative Nakasone was excused.)

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 135-08 and H.B. No. 2500, HD 1, SD 1, CD 1:

Representative M. Oshiro moved that the report of the Committee be adopted and that H.B. No. 2500, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative Lee.

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

"Mr. Speaker, I rise in support of this bill. First of all Mr. Speaker, I'd like to thank the Members of the Finance Committee for their hard work during this Session and during Conference. I'd also like to thank the Senate Ways and Means Members and staff, and especially Chair Baker and Vice Chair Tsutsui for their part during the Conference negotiations. I'd also like to thank the hard working Finance Committee staff: the analysts and the researchers, for their long hours and dedication. And finally Mr. Speaker I'd like to thank and extend my great appreciation to my Vice Chair, Marilyn Lee for her hard work and support.

"Mr. Speaker, we started this process back in December when the Governor submitted her Budget and the Financial Plan assuming that revenues for fiscal year 2008 would come in at 5.7 percent, the same as the projection of the Council on Revenues at that time. This was done Mr. Speaker, despite the fact that nationally and locally, there were signs of an economic slowdown. Tax collections to date, when the Governor submitted her budget, were at 4.5 percent, which translates approximately to 21 percent less revenue. This was 21 percent less revenue that the Governor chose not to reduce the budget by at that time.

"Instead Mr. Speaker, she left the difficult decisions for us to make. Indeed she made our choices and our job even more difficult when I sought the input from the various departments on where we might make some adjustments in the budget, where we might cut and where we might limit expenditures. And despite promising to work together, and the rhetoric about having reoccurring revenues aligned with recurring expenditures, the Governor continues to deficit spend.

"Mr. Speaker, I commend the House, because we stepped up to the plate, all of us, on both sides of the aisle, and made the difficult decisions contained in this budget starting with House Draft 1.

"Mr. Speaker, as you and many of us know, the Council on Revenues is currently projecting a 3.9 percent growth rate; however, the budget before is balanced on a 3.5 revenue growth rate assumption. This was agreed upon in Conference between the House and Senate Conferees.

"Mr. Speaker and Members you recall that last year I did a Top 10 list of why everyone should vote for the budget. And last year, you recall the Top 10 reasons were as follows. And these were, Mr. Speaker:

Number 10: Providing \$190 million more to the Department of Education for items such as student transportation, food services and utility costs,

Number 9: \$90 million more for the University of Hawaii, including items such as the Nursing Program at Manoa, and the College of Pharmacy at UH Hilo,

Number 8: Providing \$195 million for health and human services programs through Medicaid, QUEST, adult mental health and early intervention services,

Number 7: Providing \$68 million for homeless services, kitchen unit replacements in public housing, vacant unit turnaround for public housing, and an additional deposit into the Rental Housing Trust Fund,

Number 6: Appropriating \$7.6 million to help critical community hospitals in Hana, Waianae, Molokai, Wahiawa and Kahuku,

Number 5: Providing \$17.8 million for expansion of Emergency Medical Services, and the purchase of emergency medical equipment, ambulances and defibrillators,

Number 4: Providing \$7.6 million in our war against invasive species. This includes the purchase of the victim manifest system to help target high-risk shipments for inspection, money to eradicate to Coqui frog, funding to fight the bee mite infestation, and more DOCARE officers to enforce our environmental laws."

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

Representative M. Oshiro continued, stating:

"Number 3: Providing \$8.4 million to the Charter Schools,

Number 2: \$50 million for the repair and maintenance of our public schools;

And again, from that budget last year, Number 1: It is \$17.4 million less than the budget submitted by the Governor to the Legislature.

"But due to the budget cuts Mr. Speaker, this year I only have a Top 5 reasons to vote for the budget. Just five:

Number 5: The budget prioritizes education first. This budget provides 155 percent more money than the Governor provided for the repair and maintenance of our schools. The Governor included \$26 million; while this budget provides \$66.4 million for our schools.

This budget also provides 42 percent more than the Governor provided for the repair and maintenance of the University of Hawaii facilities. The Governor provided \$50 million, while this budget provides \$71.2 million.

And third Mr. Speaker, this budget provides a total of \$57.7 million for the Charter Schools. That's \$1.6 million more than the Governor provided in her budget, and \$6.1 million more than they are currently receiving.

Number 4: This budget prioritizes health and human services by providing \$10 million additional funding for adult mental health, \$4.3 million for emergency medical services, \$1.1 million for the Hawaii State Hospital, \$5.7 million to draw down \$7 million in federal funds for our hospitals to care for the uninsured.

It provides \$5,000 to \$85,000 to ensure that the State Children Health Insurance Program, S-CHIP, that coverage for children is not lapsed due to impending federal budget cuts or non-reauthorization of the same law.

The budget also provides \$26 million for the completion of the Kukui Gardens purchase, thereby protecting the tenants from becoming homeless or dispossessed.

This budget provides \$3.8 million for homeless services for Building 36 in Kalaeloa, Kakikolu in Waianae, and other existing services.

This budget provides \$15 million in GO bonds to the Rental Housing Trust Fund, and \$10 million in GO bonds to the Dwelling Unit Revolving Fund.

Number 3: This budget prioritizes public safety by providing \$240,000 for Department of Justice compliance issues regarding mental health services at our correctional facilities.

It also provides \$271,000 for the Hawaii Youth Correctional Facility to maintain compliance with the Department of Justice Memorandum of Agreement.

Number 2: This budget ensures that the Governor can release appropriations held hostage by the Governor; that is, 112 GIA applicants with grants totaling approximately \$9 million in operating funds, and \$24 million in CIP funds that were appropriated last year, still awaiting release by the Governor.

You might ask why the money hasn't been released for the Honolulu Symphony, Habitat for Humanity, Catholic Charities, Easter Seals, for the Salvation Army? This budget allows the Governor to release these monies and support these nonprofits that support our communities.

The Governor has refused to release about \$43 million in appropriations and valuable initiatives passed by the Legislature last year. I'll cite some examples, Mr. Speaker.

Act 272 provided \$250,000 to increase transparency in State government; that has not been released.

Act 147 provided \$200,000 for perinatal care in our medical school; that has not been released.

Act 284 provided \$8 million to increase Medicaid reimbursements to doctors, providing healthcare to the underinsured and uninsured; that has not been released."

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

Representative M. Oshiro continued, stating:

"Thank you very much, Representative. I'm just about done, Mr. Speaker.

Act 237, provided \$500,000 to increase low and moderate income family home ownership.

And Act 178 provided \$84,000 for screening and referral to substance abuse services.

These are some examples of monies that have not been released. This budget allows these innovative programs and Legislative initiatives to proceed without further delay.

And Number 1: This budget appropriates \$44.7 million less in operating general funds than the Governor's budget.

"This is a responsible budget, Mr. Speaker. It is forward looking and holds spending down, while keeping its priorities very simple: education, health and human services, public safety, and community needs. I urge my colleagues for their support. Thank you."

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

"Thank you, Mr. Speaker. I rise with reservations. When the Governor sent down HB 2500 prior to the beginning of this Session, it built on her vision for the future of Hawaii. Last year, the Governor articulated a bold vision for the future of Hawaii, a vision of innovation. She called for basing our economy on the most plentiful resource, our brains, and our innovation. She also called for bringing an end to the problem of homelessness. She called for bringing opportunity to those most in need through employment opportunities, as well as relief from the higher cost of living. Each innovative idea was funded through HB 2500.

"Through the process there were areas of common ground, limited advances for renewable energy; whether we talk about clotheslines, or allowing solar energy farming on agricultural lands is all and good. Funding incentives for important agricultural lands, an issue the Legislature really hasn't moved on since the 1978 Constitutional Convention is also a nice item. With the collaboration and desire to chart the future for Hawaii that was somewhat evident last year, is absent this year. The choices made in this budget turn away from innovation, and turn away from investment in our people. At the end of the day, this budget is more about repudiation of investing in our people, personal choice, and personal responsibility.

"I wanted to specifically address the Public Charter Schools because there were a lot of comments that were made in the budget's Committee Report. The comments reflect everyone else's missteps regarding Public Charter School funding, but it conveniently leaves out our part in this mess. The formula that we, the Legislature, passed out in 2007 was supposed to have clarified the way we spend, the way we fund public charter schools. Instead it lessened the base to calculate Charter School funding, setting up the Charter Schools for a smaller per pupil amount.

"The Committee Report states that overall, the Charter Schools are getting more money and DOE less money in this budget. What it forgets to present is that the 7 percent increase in overall funding for Charter Schools accompanies a 20 percent increase in Public Charter School enrollment. Parents are voting with their feet Mr. Speaker, and there are waiting lines for these innovative schools. What was approximately \$8,000 per student last year, because of not having clarification in the budget formula, dropped to \$7,200 per pupil, per student, and that is with the additional \$1.6 million that the Legislature appropriated.

"We could have been a part of the solution. A purposeful effort was made to include in the law that the Legislature has the ability to add funding as it sees fit. And that was interesting because we knew we already have that. We have the ability to add the funding. But in that bill, in that law that passed, it specifically again addresses the Legislature to add more funding.

"Another thing is upon reading the provisos for the DOE and the Weighted Student Formula, I have introduced bills and resolutions to put this discussion of Weighted Student Formula on the table because I think it's a significant discussion to have. And like a

hawk I watched and advocated for this discussion to take place. I also presented what I felt was movement in the Weighted Student Formula by attending the Weighted Student Formula Committee meetings and speaking with others so that they could really just have ownership; not having us, the Legislature, continually micromanage the education system.

"I'll state what seems to me is behind the scenes, significant changes in policy take place. To my surprise, there are provisos that pull away from the education reform of Weighted Student Formula. It takes \$20 million that was supposed to be transitional funding and it makes it recurring base funding. I'm not necessarily against that, but I would have loved to understand the discussion that would take place because the Weighted Student Formula and transitional funding is, I think, paramount in this discussion."

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

Representative Finnegan continued, stating:

"Mr. Speaker, I have just maybe two more minutes left. Thank you, Representative from Liliha.

"This leaves no change to take place. Then the Legislature starts to micromanage with the proviso that makes transient students a higher weight and adds money for it. This actually benefits my district Mr. Speaker, but that's not what we were supposed to do.

"We were supposed to step back and allow this to take place and guide. Not make a law. This step makes a mockery of the Weighted Student Formula that said we would step out, or we should step out. Educational reform translates to giving the authority and flexibility to the people that matter the most, the community of learners surrounding the students, the teachers in classrooms, the principles and the parents. Charter schools have done that. The Weighted Student Formula, I believe, is supposed to accomplish that. These budget provisos work against that. For these and other reasons, I am voting with strong reservations on this bill, Mr. Speaker."

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

"Thank you, Mr. Speaker. I have pretty serious reservations for this bill. My support for this bill is almost to the point of being a no. The reason I'm not voting no is not what the House didn't do. It's what the Senate didn't do, and what the Senate omitted. Members might think that this is a very, very minor thing that I'm rising about. But it was a very small appropriation, a one-time appropriation of \$350,000, that's all, for a mobile medical clinical van that would service the areas of South Kona, Ka'u and Puna, an area larger than the rest of this State combined.

"With very little in the way of health services, I have an agreement with Ka'u Hospital to operate the van. I have an agreement with a private foundation to fund the operation for three years. So all we needed was \$350,000, that's all. The area has very few clinics, and it might be 30 or 40 miles to the nearest clinic. And when you consider what's going on in this district now with SO2 and the danger that the volcanic emissions are causing the people I represent, it was a very minor appropriation for the health and safety of thousands of people. And I say to the Senate, shame on you."

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

"Mr. Speaker I also rise with reservations. I rise with some particular reservations regarding TANF funds. I believe that those were the unkindest cuts of all, in addition to what the Minority Leader has eloquently spoken in regards to the Charter Schools and

how this budget repudiates, rather than builds and nurtures the people, especially those who are the weakest and the more vulnerable among us.

"Mr. Speaker, I'm reminded that Father Mark, when he opened today's session with prayer, said, 'Be the voice for those who are poor. Remember the weak.' I think this budget forgets them. I think this budget skips over them. Temporary Assistance to Needy Families is what TANF is all about, and I think what best summarizes the spirit of that is the saying, 'Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime.' That's where we were going, teaching people how to fish rather than throwing them a fish.

"And I've seen this telltale formula work all over the world to raise people out of poverty. It works, it is one that we've been using until now. We're going to pull back and we're saying to the poor, 'We don't believe that you have the human value and personal worth that we can teach you how to fish. We want you to sit on the side and we don't want to build you up to be self-independent.' Some of the things that we're going to be denying the poor and the weakest and most vulnerable among us is for example, the biggest and unkindest cut is \$12 million for youth development and family strengthening programs.

"Mr. Speaker you know when you're poor there is a tendency to pull the social fabric from out underneath one's family, one's academic standards, and one's achievements. These are community based programs that help needy children and their parents by teaching life skills, healthy choices, promoting academic achievement, Mr. Speaker in particular fostering job readiness, that's what teaching somebody how to fish is all about.

"The second biggest cut Mr. Speaker, in these TANF funds is \$5.6 million in child care subsidies for working parents. Every one of us in this Chamber knows, without child care we couldn't be here. If we want those who are poor and have less opportunities to get to work, child care is fundamental. This in effect, enough by itself to say, 'We want to shut you down. We want to give you food rather than giving you skills to get independent, so you can have self-esteem and pride in yourself.'

"Lastly this budget TANF cut has \$3 million taken out of connecting needy families to new jobs, again a very core program. And there's another \$3.2 million that's taken from children at risk from abuse and neglect. And anyone knows, even if they're not on the Health and Human Services Committee, that whenever cuts are made to child welfare services, the rates of abuse and neglect proportionately go up.

"In addition, Mr. Speaker I think we can remember the 800 or so practitioners, as well as clients who rallied here just the other day. There's going to be a lot of unemployment that this is going to create at the same time.

"The irony is that this is the counterintuitive, almost paradoxical way of going about helping people. Mr. Speaker in simple terms, I call it hoarding. Its hoarding rather than investing in our people based upon sound fiscal policy. It's hoarding for a number of reasons. Number one, we have the fourth largest reserve of Temporary Assistance for Needy Families in the country; the fourth largest in the country. We also have the lowest unemployment rate. So why would we have such a huge reserve Mr. Speaker, and then want to have another \$22 million thrown on top of it. It's hoarding. It's not a good use of money, sitting idly.

"Right now we have 110 percent of our annual TANF already in reserves. Sixteen states hold zero percent in their TANF funds. Mr. Speaker, we get \$100 million a year from the feds. Now that's not chicken feed; \$100 million and we're going to stockpile even more of that so we can deny these people those services, so we can deny

those self-affecting personal growth strategies for the sake of hoarding funds.

"Finally Mr. Speaker, this budget is not only based on hoarding, it is also based upon a total lack of confidence in the Lingle Administration. Many times I've stood and said this is IFL-phobia, in this case it takes the L off from Lingle and substitutes Lillian like in Lillian Koller, the Director of the Department of Human Services."

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

Representative Ward continued, stating:

"Thank you, Representative from Kihei. Mr. Speaker, I was trying to talk about the irrational fear of Lillian Koller. These are the professional welfare people. They know what they're doing. What do we as a body know more than what they know, because if you look at the record, since 2000 the welfare roles have gone from 16,000 people down to 6,000. That is an accomplishment in itself. Also, Mrs. Koller has leveraged literally hundreds of millions of dollars in federal funds. In short, she knows what she's doing. So why does this Legislature think it knows better and is taking the money and taking the rug up from underneath the poor and vulnerable.

"I don't understand it. The fall back, the fail safe, the safety net if you will, gives these doomsday predictions that are based upon this hoarding; that is unemployment is going to go sky high like it did in the 90s. In the 90s Mr. Speaker, we had \$150 million in reserves and we still made it through those rough times. We're going to build up to that same scenario, but yet we have still again the lowest unemployment with the highest job creation rate in the nation. There is a safeguard in every TANF contract. If in 40 days the State of Hawaii wishes to cancel those contracts they can literally do it and all the agencies know that. They are in agreement with it. But they are saying, 'Let's carry on with TANF funds. Let's carry on with helping the poor.'

"Mr. Speaker we should not assume our economy will back into the doldrums and tank as it did in the 90s. The part of this budget that I'm speaking about is unethical, it's unfair and unjust. Other than that Mr. Speaker, I like some parts of it."

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

"Mr. Speaker, thank you very much. Members, I wish to speak in favor of the budget with some relatively minor reservations. First of all, I want to thank the Chairman and the Vice Chairman and the Members for doing an excellent job. This was his second term as a Chairman and he's getting better every time. My aloha and thank you for the good work you've done.

"Members, especially to the Majority, it's kind of ironic in a way, but we're supposed to be the spenders, but it seems that those who want to spend are across the aisle. They seem to have taken the way of the liberal, and we've taken the road of the conservative. We've switched roles. I don't know if I like that, Members. I'm still a liberal and I'm proud of it. I want to spend where it's needed, and when it's needed. I have no compunction about that. And these are some of the reservations we've had, and I'm telling the Members here that I think we need to look to the future and begin to change our mentality because I see we're kind of regressing a little bit.

"When we look at the Council on Revenues, they come up to 3.9 percent and we go to down to 3.5, that's fine. We're looking toward the future. However what is the trade off? Is there a trade off in GIAs? Is there a trade off in some good projects not being funded? Is that a trade off? We need that. Why should we be the bad guys?

Why don't we fully fund them and let the Governor cut, if need be? But we cut funding prior to the Governor, we've taken a conservative posture. I might be proven wrong and I hope I am in a way, because as we move along, and if the economy drops, then kudos to all of you. But if it doesn't, there better not be a big surplus. It's kind of an artificial surplus, because we've gone beyond what the Council of Revenues projected.

"Constitutionally, if you don't follow the Council of Revenues, you need to put in the local papers the reason why you went beyond the Council of Revenues. We have not done that. Maybe we should think about it. I know the Chairman is shaking his head, but the Constitution states that if you don't follow the Council on Revenues, then through the local media you explain why you are not following the Council of Revenues' recommendation. And in this case we have not, maybe because it's so slight, from 3.9 to 3.5. Maybe that's the reason we didn't have to. But this is just a caution. Maybe we should look at that. When we go against the Council of Revenues, we should have a good reason why we do it. We should publish it and let the public know why.

"So Mr. Speaker, these are my concerns. I don't want to sound like an ingrate because the Chairman and you, Mr. Speaker, have been very generous, and I want to thank you for what you have done. But again, it's my fear that we cannot continue to take the conservative posture. We must think like Democrats, and act like Democrats. Thank you, very much."

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

"Thank you, Mr. Speaker. I'm rising to speak with some serious reservations about the budget and I'll explain why. And I really would reference Speaker Emeritus on this, who said that we need to take care of those who can't help themselves. I think that we've missed that serious objective in this budget. We've been talking about the issues of homelessness and affordable housing for some time; we've had some rather heated arguments about that with this side proposing funding for the homeless. We know that the solution to the problem requires a continuum of actions; not just a shelter, but a continuum of actions. We also know that the Governor has taken some very bold steps to help in this area, in spite of the Legislature.

"We know that shelters provide services such as job training, life skills, drug rehabilitation, mental health services and other services that are essential to help people move out of being homeless. And that's why the \$1.2 million reduction in the supplemental request for HMS 224 is so disturbing. The \$1.2 million reduction will stop cold, the Villages at Maile project. The Villages at Maile are the next step in transition for hundreds of individuals, approximately 320 children and adults from homelessness into self-sufficiency. The Villages are an excellent example how we as a state, need to work together.

"The Villages have been a collaborative effort between the State and private enterprise to look at the issue of homelessness and lack and affordable housing, and make a significant impact. The Villages were developed through a public/private partnership that started several years ago. The developer on the project, Carr Development is in the final stages of the development of the 80 units to be used as transitional housing for residents of the Leeward Coast area. And again houses approximately 320 children and adults. Units were developed at cost, with no profit for that developer, with the understanding that the operational funds would be provided for this through the State, and that's the cruel effect of this budget that takes away the operational funds.

"We've fallen short on our promise and this will be detrimental to these hundreds of families. We've already swept the beaches on the Leeward Coast. We all know that; we've talked about that in this Chamber and it made many of the families experiencing

homelessness disappear from public view. Many families moved into emergency shelters and these families want to take the next step toward self-sufficiency. The Villages of Maile will provide a roof over their heads, a place for families to develop their skills and become active members of their community. A resource center, as well as the day care program, were to be developed on the property with the funding that is being stripped away today in the budget. Children who have little stability in their lives were going to have an opportunity to be part of a community. A community where they can learn and thrive and make their way in the world. Now we stripped that money, putting at risk all the hope that these families have had in the last several years.

"Let me just give you an example of how shelters and these kinds of housing projects help. Some of you have read in the *Star-Bulletin* about Laurie 'Sunny' Johansen, she was one of the first to move in along with her boyfriend and 10-year-old son, Dakota. She said, 'It's just going to run smooth I can tell,' in the article. She is a fulltime hair stylist and mother of two. 'She has a 12 by 12 foot room with a shelf, a dresser, towels, toiletries and four rollaway beds, but perhaps most important she has a door and a key. For Johansen, that Waianae Civic Center will help stabilize her children's lives."

Representative Marumoto rose, stating:

"I will yield one minute of my time."

Representative Thielen continued, stating:

"Her son Dakota is attending an intermediate school nearby and she is also now studying to enter college. I wish her the best. But how many other stories like Sunny's are going to be stopped because we take away the money that would be there to operate and continue developing the programs at the Villages of Maile.

"Speaker Emeritus, I agree with you. These are the people we should help. You and I know that, and today we are not doing it."

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

"Thank you, Mr. Speaker. In support. I just wanted to add a couple things about health from the Health Chair perspective. I think that many very tough calls were made, there is no doubt. And I haven't heard any testimony or Floor speeches today that would disagree with those tough calls, except to say that many positive things certainly happened.

"In the waning hours of negotiations with the Senate, I do know that the \$5.7 million that was restored to the budget, or put into the budget for the hospital system which will receive a match a \$7.5 million. That total of basically \$12.5 million will go to our hospitals, to protect them, to take care of our people who otherwise wouldn't get care. Those monies will be used by all the people of the State and were critical.

"Also in the last moments, \$1 million was dedicated to the Primary Care Association and the uninsured. Again that's to our most needy people; those who are often homeless, those who use the community health centers.

"So personally, I wouldn't dwell on a lot of the negatives. I know that it's devastating to so many people because with tight budgets everything is difficult, but there was very clearly from my perspective, a commitment here at the end of the Session to make sure that essentials that do take care of our neediest people were met. Are things perfect? Obviously we could have come up with 20 more proposals from our Health Committee that would have been all very valuable. And did I lament that some of them didn't make it into the budget? Absolutely. Easily, the women's perinatal care, we all supported it, but when those tough decisions were

made to take care of the hospital system, it does have a positive effect State wide.

"So I just wanted to, from my position, to offer that perspective in support of the budget. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm rising in support of the budget with some reservations. First, I would like to thank the hard working staff of the Finance Committee; young men and women who spend countless hours, some of them locked up in a room with no windows. They come out kind of blinking, 'Oh the sun is shining.' It's almost a joke when you see them. I'd say, 'Hey they let you out today.' And they are always good natured and extremely helpful, and I appreciate that. And I think that has a lot to do with the Chairman and the Vice Chair of the Committee.

"I guess my concern is that we have had very large surpluses for about three years running. The economy is swerving off in another direction now, but I feel that we didn't set our priorities back there and now we find ourselves in a different situation.

"Mr. Speaker, what this bill does not have is an investment in people. Investing in people isn't just about programs that enable people to realize their potential like TANF and programs to move people along the housing continuum. Investing in people is also letting people keep more of their money or giving back when we have a surplus for two years running. Tax relief is investing in people. It allows them to use more of their money to meet the costs of daily living, or to invest in a brighter tomorrow.

"Friday night I received an email from a constituent of mine, a 73-year-old man who lives in Hauula and I just want to read part of it. It says:

'My recommendation to you is to keep the spending down but prepare for the worst scenario. The people of Hawaii already pay more taxes than the rest of the country. We also live in the state that has the highest cost of living. People are really struggling out here to make ends meet. How can the Legislature help us?' he asked. 'Simple. Cut down taxes. Help businesses accel in order to provide more jobs for the people of Hawaii, cut wasteful spending and concentrate on the economy.'

That was from Kenneth Ching and, I think, good advice.

"I have to disagree with Speaker Emeritus as far as the Republicans being big spenders. I just looked at the figures of the grants-in-aid that we provided to nonprofits. We went from \$1.1 million in 2003, to \$39.4 million in 2004, \$33.9 million in 2005, \$73.4 million in 2006, down to \$43.6 million in 2007. And we're a state that, it has been mentioned by many different people, have very loose oversight on the grants-in-aid. This to me looked like sort of irrational spending and that's when we had lots of money. That's where a lot of our general funds went, and that's what added to our debt service. I'm not saying that these grants-in-aid, many of them are very deserving, but because our process is so loose and we use very little criteria, there is in my mind a big question as to whether all these folks were deserving. And with the surplus, by making these generous donations to these grants-in-aid we limited the money we could give back to the hard working people of Hawaii who had paid all of the money that came into the State's coffers.

"The Senate President was recently quoted in a local paper talking about how tax relief is revenue lost in the State, as if the State is somehow superior to the people it was created to serve. Tax relief is the greatest investment of all because it enables our citizens to make choices in their lives. Tax relief is also an investment in our economy. This is the tried and true method that

our Congress is undertaking this summer, a bipartisan tax rebate package to stimulate the economy. Compare that with the tax relief this Legislature is offering: one dollar. Not a dollar that you can put in your pocket. You must wait until April of 2009 when you fill out your tax return and you will get a tax credit against what you owe of one dollar. This speaks volumes of the investment that this Legislature wants to make in its citizens."

The Chair then stated:

"Excuse me, Representative Meyer, your time has expired. Representative Marumoto, would you like to yield your four minutes? You need two minutes?"

Representative Marumoto rose, stating:

"I would be happy to yield two minutes."

Representative Meyer continued, stating:

"Thank you, Representative. I also notice that prominent Members of this Chamber and the Senate have criticized the Governor for not spending more through CIP as a means of investing in our economy. We've talked about our debt service and the methods the Administration has used to keep that amount down. When we discussed the HD 1 version of the budget, and simply note that we will soon top \$600 million in annual debt service payments, more than 10 percent of the State budget. As you are well aware, the money from CIP takes a long time to make it into the pockets of the people, sometimes two or three years. According to your Conference Committee Report the economy is slowing down. We are experiencing difficulties now. This solution should be one that takes effect now.

"We should put money in people's pockets now, like the federal tax rebate. While many of the bills that we're going to pass today are not in the budget, but they will affect the budget, and those are bills that have created new fees which are like taxes and that I believe is going the wrong way. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I just wanted to respond to some of the issues raised about the Villages of Maile funding and just to point out that there are a lot of reasons why that project has come into question. The Native Hawaiian homesteaders, or the SHA organization had raised a lot of concerns about that project because it's located on Hawaiian homestead land and they rightfully did point out that with the thousands of Hawaiians on the waiting list, it did seem to be something they wanted to be consulted about at least, as the beneficiaries of the Hawaiian Homestead Trust. Of course they all sympathize with the homeless and everybody wants to help the homeless; that's not the issue. I think the concern was just that it doesn't mean bypassing all the thousands of people that have been on that waiting list for years and years and years.

"And the other thing is that the people, the neighbors in that surrounding community have raised a lot of concerns. They're concerned about the quality of that land, whether it's environmentally safe. They've had issues with traffic and those kinds of things that they really felt like the project had moved through so quickly that they didn't have time to have their voices heard so they also had concerns. So there are just a lot of things that need to happen.

"I'm happy to report that I did have a very brief meeting with HPHA on this topic and they are hopeful that they may be able to still accomplish the Villages of Maile using their own funds. They also want to make sure they consult with the community, with the beneficiaries of DHHL, to make sure that those concerns are all

addressed. So I'm really hopeful that all is not lost and that this project might still have a way of going through to the satisfaction of all the different parties that are concerned about it.

"And I just also want to really express the heartfelt thanks to this Legislature because while maybe there were some questions about that project, there's a lot of other great projects that were funded as was mentioned earlier, Kahikolu, which is going to be a transitional low cost rental project; the building in Kalaeloa, which will also help the homeless; the Wilder Street project in Honolulu; and \$1.8 million that's going to go to HPHA to fund all the other homeless providers out there so they will have a chance to try to put in bids for that money. So there's a lot that has been done, and I think again I just wanted to emphasize that the Villages of Maile still may go through. Thank you."

The Chair then stated:

"Members of the House, we've had 50 minutes of debate on this particular measure. The Chair will allow one of the Majority and one of the Minority to sum it up."

At 11:50 o'clock a.m., Representative Thielen requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:52 o'clock a.m.

The Chair then stated:

"Let me clarify my position. Representative Marumoto has already volunteered three out of her five minutes on the debate. And the last person who wanted to speak from the Minority was Representative Pine who has her five minutes. So at this point, the Chair will allow the Minority to have seven minutes of debate. And I will allow the members of the Majority to have ten minutes of debate. So we will have two members from the Minority, and two members from the Majority. Representative Pine, please proceed."

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

"Thank you, Mr. Speaker. I rise in support with strong reservations. I first want to clear up what a conservative is. It's not about spending everything as the Speaker Emeritus kind of implied. It's about spending wisely. Republicans believe that we should spend money on teaching people how to fish; teaching them so that they don't live off of government for the rest of their lives. So we believe it is wise to spend our TANF money that prevents poverty that teaches people to have higher paying jobs. So we believe in spending in those areas.

"The thing that really gets to a conservative is spending on 'pork', things that are not the priorities of the various departments. For example, the first speaker talked about this budget putting education first. Well let's look at how we put education first. In the reading of this budget on First Crossover, I brought a lot of concerns about priorities of the Department of Education that were ignored. Back then in the budget, instead of funding many worthwhile Department of Education projects, we put \$1.7 million for a synthetic turf field for Leilehua High School stadium. It didn't seem to go anywhere with my comments because in fact, we double that. In the final budget we gave \$3.3 million for Leilehua's turf field. We also find that Miliani's turf field is in there as well, almost \$1 million. And also we're funding almost \$1 million for Moanalua High School's artificial surface. I can't tell you how many high schools and intermediates schools statewide would love that field. But I'll tell you that for the Department of Education, those are nowhere in its priorities.

"So what were the priorities of the Department of Education who we have appointed and who have been hired to be the gurus to tell us what the priorities are in the Department of Education. What we feel is putting education first. The Department of Education, number 19 on their priority list, \$4 million to renovate McKinley High School's Building 857. We cut that out of the budget. This budget also eliminates funding for Kapa'a Elementary School's library, which is 24 on DOE's priority list at \$6.8 million.

"This budget also eliminates funding for Konawaena Middle's locker/shower building which is number 28 on the DOE's priority list at almost \$10 million. It eliminates design funds for my sister's neighbor's district for Kapolei Elementary, an area which is the fastest growing area in our State. This is number 26 on the DOE's priority list. But apparently turf fields and a nice track come before crowded schools.

"For me personally, Mr. Speaker, and this has been a trend that I've seen since I've been elected; we've done very little to help victims of crime. The *Honolulu Advertiser* published a newspaper article just this weekend talking about how some of the four most high priority victim legislation did not go through. One shining light that made it through this Legislature..."

The Chair addressed Representative Pine, stating:

"Representative Pine you are out of order at this point. Can you confine your remarks to the budget, and not the other measure that is not before us."

Representative Pine continued, stating:

"Okay, I'm sorry Mr. Speaker. Lacking in this budget is money for the one shining star that was mentioned as passing this Legislature and that was to protect victims by imposing electronic monitoring systems on perpetrators of domestic violence. We passed that bill, but if a victim is so unlucky as to have that violent perpetrator say that he can't afford an electronic monitoring system, then he most likely will not have to wear one because we took the funds out of the budget for that.

"So Mr. Speaker, I'm very disturbed that we're passing legislation that would give more rights to prisoners, will help us to help their families to survive them being in prison, give more money to bring prisoners back home, and leave very little to support victim's children. So that's why I rise with the highest of reservations, Mr. Speaker."

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

"Thank you, Mr. Speaker. I stand in support of this measure, however I would just like to mention my concerns regarding the section that covers, or shall we say, lack of coverage, for the Temporary Assistance for Needy families, which will ultimately affect many in my district, and ultimately many throughout the State of Hawaii.

"Today we are all experiencing the many challenges and lack of finances to meet our basic needs and it is evident that with the high cost of oil, food and closure of Aloha Airlines, ATA, Molokai Ranch and now Aloha Airlines Cargo, that we are in for more hard times ahead. Ladies and gentlemen, we are in a state of crisis and many families who depend upon TANF funds for their survival will now have to find alternative means to meet their basic needs. The decisions that were made to not fully service those families who are in need is a very bad sign. And I would like to state that I would like to have seen this budget item unaffected, but this is now not the case, and there were items that were financed by the Department of Human Services under TANF which are questionable.

"It is my hope that the people of my district and those directly affected by these cuts are not being made pawns to make a point that funds need to be closely scrutinized, or at the same time utilizing those affected by these cuts as a pawn to create services that are wants instead of needs.

"Mr. Speaker after taking a look at the overall budget, there is more good than not and therefore, I will stand in support. And as a Member of the Finance Committee I applaud the Chair, Vice Chair, my fellow Members and Finance staff in working extremely diligently on this and other matters in the budget.

"And as a friendly rebuttal on the matter concerning the Voice of America's site, also known as the Villages at Maile, I would like to inform Members that the land transfer has yet to be completed. This parcel still resides in federal government inventory. As the Representative of this district, there are also concerns regarding the transfer from the federal government to the Department of Land and Natural Resources over to the Department of Hawaiian Homelands as the Representative from Makaha had stated. And Hawaiian homelands applicants are also concerned about sacrificing their chance at a home. Many live with others in their homes in hopes of one day becoming a homeowner themselves.

"And also I'd like to state Mr. Speaker, as the Representative from Mahaka has stated, there are concerns with regards to the infrastructure and the Homeowners Association and the hopefully future site, that they have concerns about the lack of communication between the Department and the homeowners, as well as the residents and the school who will be greatly impacted by an influx of a larger student body of which they have grave concerns as to how they'll be able to provide services to those included in this new program. Thank you."

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

"Thank you, Mr. Speaker. We've heard Representative Finnegan talk about Charter School students, and Representative Ward talk about social service clients, TANF people. Representative Thielen discussed the homeless people. Representative Meyer was concerned about taxpayers, and Representative Pine talked about the victims of violence. I would like to talk about our jobless population, or people who are a little bit worried about their jobs.

"I agree with Mr. Speaker Emeritus that we should spend money where it is needed. As we've read on this budget, I want to express my strong reservations regarding the section on tourism. I'm concerned because the effect on our citizens and their livelihoods are at risk. We depend on tourism for bread and butter, or rice and plate lunch. Some of us are affected directly, and all of us are affected indirectly. It is the most important part of the economy providing one out of every five jobs. And although we nurture new industries, high tech and diversified agriculture, when tourism dollars falter, State revenue is diminished. Our teachers and students feel the pinch of DOE expenditures. Our shopkeepers see fewer sales, and restaurant servers see fewer customers. Yes, the hotel tax brought in more dollars last year. Yes, we applied more TAT taxes to the tourism special fund. Yes, the budget grants the House Tourism Authority a little more money this biennium, \$140 million up from \$138 million. I must tell the people of Hawaii I don't think this is enough. With the recent downturns in tourism, we've seen since the opening of the 2008 Session ..."

The Chair addressed Representative Marumoto, stating:

"Representative Marumoto will you just summarize your statement or insert it in the Journal at this point in time. Your two minutes have been exhausted."

Representative Marumoto: "There is going to be a lot of suffering and ..."

Speaker Say: "Representative Marumoto, will you submit your comments in the Journal at this time since you have already used up your five minutes."

Representative Marumoto: "I was just going to finish my sentence. May I just say that as far as we're concerned, jobs are job one. Thank you."

Representative Marumoto's written remarks are as follows:

"The tour bus driver might ask, "Why doesn't the Legislature *discuss* applying more hotel tax money to the Tourism Authority?" The hotel busboy could ask, "Did the legislators *consider* increasing the percentage of TAT revenues that goes to the HTA?" The lei seller might wonder, "Did the legislators even *think about* asking the Tourism Authority to juggle its budget to apply more dollars to marketing?" The advertising executive *might ask*, "Shouldn't all the counties kick in part of the TAT money to bolster the marketing effort? Maui County does its share. Shouldn't Honolulu do the same?"

"As airlines plummeted from the sky, cruise ships sailed away, as the SuperFerry started, sputtered and started again, as businesses faced bankruptcy, as Golden Week looked anemic, as hotel occupancy rates lost speed, and as visitor counts dropped, there was very little, maybe no discussion, to increase marketing dollars to protect our Number One industry. Jobs disappeared every week.

"We did discuss clotheslines, and monk seal mammals, and campaign yard signs. But for the sake of the hard working people of Hawaii, we did not rethink our budget priorities. However, I am not totally pessimistic. The national economy is anemic, but Hawaii's is still growing though not as fast as before. We still have time to devise new strategies to improve our tourism position in this global economy. Let us not ignore our Number One problem to our Number One Industry.

"Jobs are our job #1."

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

"Thank you, Mr. Speaker. On this measure I stand in support. I just want to clarify, especially for District 47, some of the comments made on grants-in-aid. You have to take a look at the grants-in-aid, and look at all the possibilities that we can to provide. This year it was zero, across the board. There were so many deserving people that we should have given the money to, but didn't.

"So first of all, you have to understand that we as legislators here, we appropriate. And the Governor restricts or releases the funding. A good example is two weeks ago, I was at the DelMonte Camp, in the Kunia gym. I was with one of the workers who were laid off from DelMonte two years ago. Last year, I introduced a bill to provide assistance for rental and housing. It was \$600,000 for this fiscal year, and \$600,000 next fiscal year: \$1.2 million. At the meeting we had, the Governor only released \$200,000. These people out there, they need the money now, just like the others we're talking about with Aloha Airlines and everybody else.

"If the Governor does not release the funds for the people who need the help, how can they stay on their feet? We speak about people that need the help. The question is for us is that we have no control. It's the timing that we have, but the Governor has to release the funds. She has the overall purview of what we do as legislators.

"Mr. Speaker, the needs are there. We all know that, especially right now with the construction market going down. We have so much R&M money choked in the DOE, UH and DAGS. The

question is, what are they doing? What is the Administration doing to release the funds? Yes the petrol has gone up. Materials have gone up. We have a lot of people on the bench. About 1,000 people on the bench. Now is the time to build. Everything is timing because even with the CIPs we have right now, even though it's released, the effect takes time.

"I'll give you an example. I have Sunset Beach Elementary School. They're building their Administration Building after 30 years. We gave \$2 million, and they're short by \$2 million. So basically that bill is a shell, and hopefully the community can come in to build. All I'm saying right now is that everybody has a good cause. The question is, as we appropriate to all the areas you have in your districts, that is fine and dandy. We have to. And we have to follow up on what we do. Again as I said, we don't have the power like the Governor. We can veto, recall, whatever she does. But she has her power to release. If she's really sensitive to the community, she has to reach out. Members, thank you."

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

"Thank you very much, Mr. Speaker. Do I have five minutes? Or do I have to speak very quickly? I'm in support of the measure, Mr. Speaker. I usually don't rise to speak on the budget bill because after all, it is a done deal so why even talk about it at this point. But I need to respond to a couple of comments made by some colleagues.

"Regarding the Department of Education's budget and how dollars seem to have shifted based upon different priorities of the Department relative to the priorities of the Legislature, let me just say this Mr. Speaker. When the Board of Education submitted their supplemental budget this year of \$80 million, the Administration zeroed it out. They also requested \$40 million for cesspool removal at schools and without that appropriation, they were facing daily fines from the federal government. That was zeroed out as well. And not to mention reductions in such mundane items as electricity, transportation and food service. Thankfully this House has restored much of that, including the cesspool removal. So again, when we talk about how dollars are shifted, let's keep in mind that that knife cuts both ways.

"I need to respond to the Minority Leader about the comments of the Weighted Student Formula, and I do know that sometimes we do not understand how that formula works. The item she's talking about on page 66 of the budget, section 70.1, that \$1.6 million given for transiency. The Committee on Weights decided that they will double the amount given to students that additionally move around, primarily military dependents, but we have many students, primarily in poor communities that move around. The budget really gives \$1.6 million to take care of that. The Legislature did not decide to increase that. The Committee on Weights decided that. The \$20 million would have been in addition to the base budget and that would become part of the base budget, but does not in any way, shape or form, impact the formula. What it does is merely add to that existing lump, and make it bigger, and therefore allow additional dollars to go to the schools that they can use in whatever way they want to be used in a flexible manner. To me, that is not micromanaging.

"Here's what is micromanaging, Mr. Speaker: proposing STEM academies, proposing creativity academies to the schools; that is micromanaging the Department of Education. Thank you."

Representative Ward rose, stating:

"Mr. Speaker, a point of information. You have purposely said that there were five minutes per speaker, and there were two. Therefore ten minutes for the Majority and seven minutes for the Minority. I believe with the last speaker, gave 15. So we have a

deficit of 8. I believe that we have not been allowed as the Minority ..."

The Chair responded, stating:

"Representative Ward you are out of order at this point so please sit down. You are out of order. The Chair has the discretion and you are out of order."

Representative Ward: "I'm out of order, but this is the business of the people and this is the last day of the Legislature."

Speaker Say: "You're out of order at this point. At this time we've had a lot of debate. The Chair will call for the question and allow just written comments."

Representative Finnegan 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 Finnegan's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support with reservations of C.C.R. 135, H.B. 2500, S.D. 1, H.D. 1, C.D. 1 which appropriates supplemental funds for the operating and capital improvement costs of the Executive Branch for fiscal year July 1, 2008, through June 30, 2009.

"A lot was made in the past couple of weeks about the issue of funding Charter Schools. In the local papers and in the Conference Committee Report, great pains are made to describe a chronology of events, who said what, what was and wasn't given, etc.

"Charter Schools represent an innovative means of educating horizons otherwise unavailable in mainstream settings. Charter Schools work, and deserve to be fairly funded. And although Conference Draft 1 of the budget increases EDN 600 by over \$6 million, increases in prospective enrollment will actually result in a lower per pupil allocation moving forward.

"The bottom line is this. We can talk around the controversy surrounding the funding formula in Chapter 302B-12, but if we are really serious about moving forward on this innovative and successful education option, if we want to avoid the situation of the past couple of weeks, fix Chapter 302B-12. It will save us some budget headaches down the road.

"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:

"I rise in support.

"House Bill 2500 appropriates supplemental funds for the operating and capital costs of the Executive Branch for the fiscal year July 1, 2008, through June 20, 2009. After strong economic growth in the early-2000s, peaking with double-digit growth rates in fiscal year 2005 (16 percent) and 2006 (10.9 percent), Hawai'i's economy slowed sharply in 2006 and 2007.

"With considerably lower than projected general fund revenues available, this bill preserves essential health and safety funding in this supplemental budget. Unfortunately, reductions were made to the Governor's supplemental budget through a combination of denying requests, making vacancy adjustments, and reducing the departments' general fund non-fixed cost "discretionary" budget appropriations.

"I would like to highlight some of the appropriations and investments that were included. Investing in the aging infrastructure of our public schools was the primary focus. For fiscal year 2008-2009, \$310,193,000 was provided by the Legislature to the Department of Education in general obligation and general obligation reimbursable bond funds, including: \$100,000 for whole school classroom renovations statewide; and \$66,461,000 for school building repair and maintenance statewide. The following are some of the capital improvement projects I supported for schools in or near my state representative district and non-profit educational institutions in the State of Hawai'i:

1. Honowai Elementary School: The Legislature appropriated \$2,000,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design, construction, and equipment for electrical system improvements; ground and site improvements; and equipment and appurtenances.
2. Kaleiopu'u Elementary School: The Legislature appropriated \$85,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design and construction for a covered walkway to the cafeteria and office area; ground and site improvements; and equipment and appurtenances. In addition, the Legislature appropriated \$550,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design, construction, and equipment for electrical upgrades; ground and site improvements; and equipment and appurtenances.
3. Waialele Elementary School: The Legislature appropriated \$100,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design and construction to expand the faculty parking lot; ground and site improvements; and equipment and appurtenances.
4. Waipahu High School: The Legislature appropriated \$75,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design and construction for fencing; ground and site improvements; equipment and appurtenances.
5. Children's Discovery Center: The Legislature appropriated \$125,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 and \$300,000 for fiscal year 2008-2009 for construction for facility improvements at the Children's Discovery Center. This project qualified as a grant, pursuant to Chapter 42F of the Hawaii Revised Statutes.
6. KCAA Preschools of Hawaii: The Legislature appropriated \$250,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for plans, design, and construction for the development of a new training center. This project qualified as a grant, pursuant to Chapter 42F of the Hawaii Revised Statutes.

"The Legislature has taken note of the alarming state of some facilities within the University of Hawai'i system and provided \$161,446,000 for fiscal year 2008-2009 by all means of financing for capital improvements in the University system. The following are some of the capital improvement projects I supported for the University of Hawai'i system:

1. University of Hawai'i system: The Legislature appropriated \$60,000,000 for fiscal year 2008-2009 for system wide capital renewal, deferred maintenance, and health and safety measures.
2. University of Hawai'i at Manoa: The Legislature appropriated \$8,500,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 and \$35,883,000 for fiscal year 2008-2009 for plans, design, construction, and equipment for renovation and addition to the campus center complex.

3. University of Hawai'i - West Oahu: The Legislature appropriated \$135,000,000 in fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design, construction, and equipment for the development of the University of Hawai'i – West Oahu. The project is to include ground and site improvements, construction of infrastructure and new facilities, and all project related costs.

"An efficient system of harbors and airports is vital to the flow of people and goods to, from, and within Hawaii. The Legislature provided an investment of \$124,375,000 in revenue bond funds for harbor modernization projects and an additional \$130,236,000 for airport modernization. In order to maintain and improve our highway system, the Legislature appropriated \$183,066,000 by all means of financing for fiscal year 2008-2009. The following are some of the transportation capital improvement projects I supported:

1. Kamehameha Highway Improvements, Waipahu Street to Ka Uka Boulevard: The Legislature appropriated \$150,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 and \$5,000,000 for fiscal year 2008-2009 for land acquisition and construction for traffic operational and other improvements including sidewalk, bikeway, highway lighting, drainage, and other improvements. This project is deemed necessary to qualify for federal aid financing and/or reimbursement.
2. Interstate Route H-1, Westbound Afternoon (P.M.) Contraflow: The Legislature appropriated \$5,000,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design for a p.m. contraflow lane on interstate route H-1 from the vicinity of Radford Drive to the vicinity of Waikele.
3. Ke'ehi Small Boat Harbor: The Legislature appropriated \$4,000,000 for fiscal year 2008-2009 for plans, design, and construction of a bulkhead, pier, pad, and storm water management system and utilities installation at Ke'ehi Small Boat Harbor to relocate Honolulu Marine, LLC from Hawai'i Community Development Authority property.

"The following are other capital improvement projects I supported that are located in or near my state representative district:

1. Kunia Agricultural Park: The Legislature appropriated \$250,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for plans to develop Kunia Agricultural Park.
2. Waipahu United Church of Christ: The Legislature appropriated \$250,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design and construction for improvements for a community center. This project qualified as a grant, pursuant to Chapter 42F of the Hawai'i Revised Statutes.
3. American Box Car Racing International: The Legislature appropriated \$75,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for plans, design, and construction for a youth facility. This project qualified as a grant, pursuant to Chapter 42F of the Hawaii Revised Statutes.
4. Friends of Waipahu Cultural Garden Park: The Legislature appropriated \$250,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for construction for improvements at Hawai'i's Plantation Village. This project qualified as a grant, pursuant to Chapter 42F of the Hawai'i Revised Statutes.

"The following are other capital improvement projects I supported that are located in the State of Hawai'i:

1. Iolani Palace State Monument: The Legislature appropriated \$4,500,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for construction for air conditioning, climate control, and related improvements to preserve historic and cultural artifacts.
2. Lanakila Rehabilitation Center: The Legislature appropriated \$300,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for design and construction for renovation of the Lanakila Wahiawa center. This project qualified as a grant, pursuant to Chapter 42F of the Hawai'i Revised Statutes.
3. Bishop Museum: The Legislature appropriated \$1,000,000 for fiscal year 2008-2009 for plans, design, and construction for repairs and maintenance and other related improvements at the Bishop Museum.
4. Hawai'i Theatre Center: The Legislature appropriated \$250,000 for fiscal year 2007-2008 and reauthorized it for fiscal year 2008-2009 for construction for improvements to facilities owned by the Hawai'i Theatre Center. This project qualified as a grant, pursuant to Chapter 42F of the Hawai'i Revised Statutes.
5. Japanese Cultural Center: The Legislature appropriated \$250,000 for construction for repairs and improvements to the Japanese Cultural Center. This project qualified as a grant, pursuant to Chapter 42F of the Hawai'i Revised Statutes.

"For the 2008 Legislative Session, I introduced House Bill 2323, which would establish within the beach restoration special fund a sub-account to be known as the resort beach restoration fund to be administered by the Department of Land and Natural Resources, into which shall be deposited general funds appropriated by the Legislature and revenues from the Tourism Special Fund, which receives moneys from the transient accommodations tax. No funds would be released for expenditure from the resort beach restoration fund unless matched by non-state funds on at least a one-to-one basis. Moneys in the resort beach restoration fund would be used to provide for the development and restoration of visitor area resort beaches, including maintenance of any improvements placed on the visitor area resort beach or in the near-shore waters, as determined by the department, including debt service on any capital expenditures projects and the contracting for services for those purposes. Fortunately, the legislative money committees created a proviso in this state budget bill, appropriating \$1,000,000 from the special fund for tourism (BED 113) for fiscal year 2008-2009 for beach restoration, provided that restoration projects on resort beaches shall be matched dollar-for-dollar from private sources and shall be on beaches with public access. This beach restoration fund for resort beaches is to be administered by the Department of Land and Natural Resources.

"The Legislature recognized that energy efficiency is an investment that pays off for itself, and provided \$17,460,000 for energy conservation and efficiency projects throughout the State for fiscal year 2008-2009.

"The lack of affordable housing is a major concern of the legislature. Appropriations to address this issue include a total infusion of \$25,000,000 in general obligation bond funds into the Rental Housing Trust Fund and the Dwelling Unit Revolving Fund in order to finance additional affordable housing.

"Given substantially lower than projected general fund growth for fiscal year 2007-2008, the Legislature has crafted an honest, responsible, and sustainable supplemental budget. In total, this supplemental budget appropriates \$10,789,367,663 in fiscal year

2008-2009. Specifically regarding general fund appropriations, this budget appropriates \$5,318,212,5547 in fiscal year 2008-2009.

"Thank you."

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

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 support of the budget. HB2500 HD1, SD1, CD1 is a conservative budget which appropriates \$44.7 million less in operating general funds than the Governor's budget.

"Because of our tight fiscal situation, no new operating GIAs were included. However, 112 GIA applicants with grants totaling approximately \$9 million in operating funds and \$24 million in CIP funds that were appropriated last year still wait for their money to be released by the Governor. These include:

- The Honolulu Symphony
- Habitat for Humanity
- Catholic Charities
- Easter Seals
- Salvation Army

"In addition, the Governor has failed to release about \$43 million appropriations and valuable initiatives passed by the Legislature last year, including \$200,000 (Act 147) to provide perinatal care to mothers who have substance use problems and \$8,000,000 (Act 284) to increase MEDICAID reimbursements to doctors providing health care to the underinsured and uninsured.

"The budget prioritizes public safety by providing \$240,000 for Department of Justice compliance issues regarding mental health services at our prisons and \$271,000 for the Hawaii Youth Correctional Facility to maintain compliance with their Department of Justice Memorandum of Agreement.

"The budget also prioritizes health and human services by providing, among other items:

- \$10 million for adult mental health
- \$4.3 million for emergency medical services
- \$5.7 million to draw down \$7 million in federal funds for hospitals that care for the uninsured
- \$26 million for the completion of the Kukui Gardens purchase

"Education is another priority funding in HB2500, CD1. There is 155% more money than the Governor provided for the repair and maintenance of our public schools and 42% more than the Governor provided for the repair and maintenance of University of Hawaii facilities. The budget also provides a total of \$57.7 million for Charter Schools, \$1.6 million more than proposed by the Governor.

"For all these reasons, I support this fair and reasonable budget, which is fiscally sound and responsible."

Representative Ward 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 Ward's written remarks are as follows:

"Mr. Speaker, I rise with strong reservations in support of HB2500.

"Mr. Speaker, there is a saying: "Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime." This is the self-help motto that has been used to guide people out of poverty all over the world, except as of late in Hawaii. This budget, with its cuts to TANF funds, indicates that some legislators want to hand out fish rather than empowering people to take control of their own lives and become self-supporting.

"Mr. Speaker, our Legislature's Budget Conference Committee, led by Rep. Marcus Oshiro, Chair of the Finance Committee and Sen. Rosalyn Baker, Chair of Senate Ways and Means in finalizing the budget have cut \$22 million out of proven job-producing, poverty-reducing programs.

"Instead of being used in the community to help needy families and to prevent at-risk behavior in our youth, House Chair Oshiro and Senate Chair Baker chose to put this \$22 million in a reserve account where it will sit idle. Hawaii already has the 4th largest reserve fund in the nation, and this legislative maneuver will only make poverty-stricken families more numerous. Reserve funds will not gain interest and once transferred, these funds can only be used for direct cash assistance and then, only for families working a certain number of hours a week.

"Mr. Speaker, every October 1, the federal government provides Hawaii a block grant of nearly \$100 million under a program called Temporary Assistance for the Needy (TANF). These funds can be used as cash assistance to needy working families, fund programs that help people prepare and obtain employment as well as prevention programs that protect at-risk children and strengthen families. But, there is one caveat – once funds are designated for cash assistance, they cannot be moved to other programs. As a result, DHS allocates approximately \$45 million of these Federal funds for cash assistance and uses the majority of funds to help families break the cycle of poverty through job training programs and prevention initiatives that work with children at-risk.

"Mr. Speaker, historically, the number of families receiving the work assistance payments has steadily declined since 2000, even in the worst of economic times in the aftermath of 9/11. For example, in 1999, there were over 16,000 households receiving cash assistance; last year the caseload was approximately 6,000. These figures prove that the work training and youth at-risk programs work – fewer people need cash assistance to supplement their wages.

"Mr. Speaker, there were strong protests from DHS, the Minority members in the Legislature and the program participants themselves, yet the Majority on the House Finance and the Senate Ways and Means Committees cut nearly one-quarter of the TANF funds from the work training and prevention programs. As a result, thousands of people will be deprived of job skills training, employment opportunities, English as a second language courses, as well as dozens of other programs that have proven their ability to help Hawaii's neediest find and retain jobs. Even more troubling, thousands of children that were enrolled in various after school programs and at-risk youth programs will lose the encouragement and support these programs offer.

"Mr. Speaker, these programs have proven to provide the vital assistance needed to address social issues before they become tomorrow's tragedies and crises. These programs help homeless families transition to a new life. They work with single parents to find employment. They prevent teenage pregnancy, drug and substance abuse and teach life skills to students. These programs also help victims of domestic abuse and work to break the pattern of child abuse and neglect.

"Mr. Speaker, the padding of this reserve fund is totally senseless, inappropriate and borders on the iniquitous. These cuts are ill-timed, ill-conceived and demonstrate ignorance of TANF

funding, as well as a gross lack of compassion for the thousands of families struggling to break the cycle of poverty.

"Mr. Speaker, there is one thing that needs to be said to Chairs Oshiro and Baker, on behalf of the thousands of Hawaii's most vulnerable, "SHAME!," and to all the legislators who backed these unkind cuts to the poorest and most vulnerable among us.

"Thank you, Mr. Speaker, for letting me speak with strong reservations on this year's budget."

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, in the closing days of this Session there has been a great deal of controversy surrounding two issues in the budget, Charter Schools, and Temporary Assistance to Needy Families (TANF). In order to set the record straight, and ensure that there is an accurate accounting of these issues for future budget deliberators to reference, I respectfully request the insertion of certain memoranda and other correspondence.

Charter Schools:

"Mr. Speaker, this budget cuts \$1.6 million from the employers' contribution to the EUTF and uses that money to provide a one-time appropriation for the Charter Schools. You may recall that the Governor has transferred over \$45 million from this pot of money over the past two years. Additionally, via a Governor's Message dated February 25, 2008, she asked that we reduce appropriations for health premium payments, indicating that there were some savings available. At the same time, we do not want to unnecessarily jeopardize EUTF appropriations. Therefore, we have included a budget proviso that allows for the transfer of appropriations freely between debt service, ERS payments, and EUTF payments.

"I realize that this additional \$1.6 million that the Charter Schools are receiving may not be all that they want, but it is more than what many other State agencies are receiving. In fact, nearly all general funded State agencies are receiving a cut in their overall funding levels, while Charter Schools are receiving more.

"Mr. Speaker, this approach creates a precedent, one that I have had a very difficult time dealing with. So, I want to take this time to let future budget deliberators know how we got here, and to give notice that it is not my intention to let this practice happen again.

"Let's look at how we got into this situation, and start with the Governor. The Administration performed the initial calculation that slashed the request from Charter Schools back in mid-December. If the Charter Schools are not aware of that, they should be. Despite the rhetoric Charter Schools may have heard from the Governor, she did not support their initial request, **and** has not lifted a finger to come to their aid. The Administration is the one that created this problem, and they have done nothing to address it.

"Chair Baker and I asked for a Governor's Message to request an increase in Charter School funding. This would have given the Governor an opportunity to show her true support for increased funding, but that Governor's Message never came. Now that this has become a serious issue, we are disappointed that the Governor has still not come forward to help resolve the problem created by the Administration. Given our current financial difficulties, it has put the Legislature in a very difficult position. I hope the Charter Schools will understand that the Legislature is taking extraordinary measures to help them because we believe it is in the best interest of the community.

"I understand that the Executive Director for the Charter Schools just came on board on December 11, 2007. She is, therefore, new and perhaps unfamiliar with the budgetary process. On the other hand, her staff, the CFO, and others at the Charter Schools Administrative Office, have been there for a while. They should have known, once the Governor's budget was made public in mid-December, that this cut was forthcoming. The CSAO should review its operations so that concerns are not raised at the 11th hour.

"Also, it is my understanding that the Charter School Review Panel approved a new school just last week. This new school will bring in an additional 250 students to the Charter School System. Knowing that the funding for Charter Schools was a serious issue, why was approval given to bring even more students into the system? This is not sound management. I am extremely disappointed that the Review Panel either didn't consider the budget crunch or didn't even care. The Charter Schools Review Panel may have made the problem worse. All I ask is that they be a part of the solution and not a part of the problem.

"For the Charter Schools, parents, faculty, and students: thank you for participating in the legislative process. It is the right and responsibility of all citizens to seek redress by their government through petition, and if necessary, protest; and you have done your civic duty in a civil and dignified manner. The Legislature has its critics, but sometimes it works. But my challenge to you is this: take personal responsibility. This information was out there since mid-December. If you want to ensure that this situation does not arise again, please take the initiative to talk with us so that we can work out problems together.

"I need to make this very clear. This is a one-time, stop-gap measure. In the interim, I hope that we can get everyone to work together to figure some sort of solution that will help all of our public school students, whether they are in a DOE school or a Charter School. Let's work on an objective formula that will allow us to compare apples to apples. And whatever happens, this bickering and in-fighting has to stop. After all, we are one community, sharing the same goals of excellence in our schools, teachers, and most importantly, our students."

Representative M. Oshiro submitted the following documents relating to Charter Schools:

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*Mohiwa (Hole) Analyst*Linda Lingle
GovernorReshela DuPuis, Ph.D.
Executive Director

2008 APR -3 P 1: 21

Charter School Administrative Office
1111 Bishop Street, Suite 516
Honolulu, Hawaii 96813
Tel: 586-3775 Fax: 586-3776

March 31, 2008

To: House Committee on Finance
Representative Marcus R. Oshiro, Chair
Representative Marilyn B. Lee, Vice-Chair

From: Charter School Administrative Office
Reshela DuPuis, Ph.D., Executive Director *Reshela DuPuis*

Subject: Charter School Budget Request Adjustment for New Schools

Aloha kākou,

Mahalo nui for your continuing commitment to public education and issues that impact Hawai'i's charter school system. Below we present information on the 2008-09 Charter School Administrative Office's (CSAO) budget for charter schools. In specific, we are requesting that \$2,631,412 intended by the Department of Education (DOE) to be transferred to CSAO for our newest conversion charter school, Kamaile Elementary, but which were inappropriately retained by the Department of Budget and Finance (B&F) in the EDN 150 budget, be transferred from EDN 150 to EDN 600. Attached, please find a letter from the Governor's Policy Office supporting this request.

Information about the intended transfer of these funds from the DOE's budget to the CSAO budget for Kamaile Elementary Conversion Charter is based on CSAO's charter school budget request submission to B&F as approved by the Charter School Review Panel (CSRP) and the Board of Education (BOE); and the Administration-approved charter school budget request as prepared by B&F and submitted to the Hawai'i State Legislature.

DOE 2008-09 Budget Transfer for Kamaile

CSAO's original 2008-09 supplemental budget request to the Department of Budget and Finance included a funding adjustment for three new start-up schools and Kamaile Elementary Conversion Charter School. This new school funding amount was based on

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CSAO

estimated increased enrollment that combined the enrollment projections for the three charter applicants with the highest projected enrollment and the 2008-09 projected enrollment figure for Kamaile Elementary provided to CSAO by the DOE of 641 students. This total of 1,341 additional students was multiplied by the same per-pupil amount we requested for existing charter schools, \$8,738.51, yielding an overall increased funding request for new schools of \$11,718,342. That overall amount then was reduced by the amount we expected to receive as a transfer to EDN 600 from the DOE due to the conversion of Kamaile Elementary, \$2,631,412, resulting in a total funding adjustment request for new schools of \$9,086,930. This new school funding request was presented to and approved by the Charter School Review Panel and Board of Education on September 13, 2007 and October 4, 2007 respectively.

However, as calculated by the B&F, the Administration's approved budget request as submitted to the Legislature included only \$4,464,705 in funding for new schools. CSAO was informed only in late January 2008 that this approved figure included the DOE transfer amount. Since our original request had already been reduced by the expected DOE transfer for Kamaile, B&F's adjusted figure, in effect, reduced the total amount actually requested for new schools by double the anticipated DOE transfer, or by \$5,262,824. This represents over nine percent (9.37%) of our total Administration-approved budget of \$56,150,695 and will reduce system-wide per-pupil funding from the actual per pupil amount in 2007-08 of \$8,149.33 to \$7,599.66, based on the funding changes described above.

After the submission of CSAO's original budget request to B&F but prior to the Administration's submission of the B&F-calculated budget to the Legislature, the CSRP approved the applications of only two new start-up charter schools rather than three (CSRP had approved Kamaile Elementary as a conversion charter prior to the budget-preparation process). CSAO re-calculated the total projected increased enrollment for these new schools by combining the enrollment projections for the two approved new start-up schools in 2008-09 (Kawaikini PCS: 117; Kona Pacific PCS: 80) and the DOE-provided projected enrollment for Kamaile (641). This total, 838 additional students, was multiplied by the same per pupil amount as requested for existing charter schools, \$8,738.51, yielding an overall increased funding calculation for new schools of \$7,322,871. When this amount was reduced by the amount expected to be transferred from EDN 150 to EDN 600 due to the conversion of Kamaile, we requested support from the Administration for a recalculated funding adjustment of \$4,691,459 for these three new charter schools (see attached support letter from the Administration). CSAO presented these amended enrollment and budget calculations to the Senate Committee on Ways and Means and the House Committee on Finance on January 7 and January 9, 2008 respectively.

Conclusion and Recommendation

Given B&F's inclusion rather than exclusion of DOE's transfer amount for Kamaile in the Administration's approved budget request, the entire charter school system will be seriously under-funded in 2008-09 unless a reasonable adjustment can be provided by the Legislature to account for this inconsistencies in funding related to Kamaile Elementary. CSAO therefore respectfully requests the support of the House Committee on Finance for

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CSAO

adjusting our budget to move these funds, which always had been intended by DOE to be transferred to CSAO for Kamaile Elementary Conversion Charter School, from EDN 150 to EDN 600. Specifically, we seek the transfer of \$2,631,412 to offset the inappropriate inclusion of DOE's transfer amount in B&F's budget calculation for new school funding.

Mahalo nui for your consideration of this request.

cc: Senate Committee on Education
Senator Norman Sakamoto, ChairHouse Committee on Education
Representative Roy Takumi, Chair3
CSAO

MAR 25 2008

EXECUTIVE CHAMBERS
HONOLULULINDA LINGLE
GOVERNOR

March 24, 2008

The Honorable Roy Takumi, Chair, House Committee on Education
The Honorable Norman Sakamoto, Chair, Senate Committee on Education
State Capitol
Honolulu, Hawaii 96813

Dear Chairs of the House and Senate Committees on Education:

We appreciate the efforts of the Legislature to address the issue of funding for public charter schools. We would like to ask for your support in providing \$2,631,412 in funding for Kamaile Elementary School which converted to a charter school. This funding should be transferred from EDN 150 in the budget of the Department of Education into EDN 600 for charter schools.

Should you have any questions or desire further conversations on this matter, please do not hesitate to contact me at 586-0027. You may also contact Deputy Policy Advisor Nani Medeiros at 586-0225 or Nani.Medeiros@hawaii.gov.

Sincerely,

*Linda L. Smith*LINDA L. SMITH
Senior Policy Advisorcc: Glen Kila
Georgina Kawamura
Reshela DuPuis



HOUSE OF REPRESENTATIVES
State of Hawaii

April 4, 2008

MEMORANDUM

TO: Reshela DuPuis, PhD, Executive Director
Charter Schools Administrative Office

FROM: Representative Marcus R. Oshiro, Chairman
House Committee on Finance

RE: Charter School Budget Request Adjustment for New Schools

Thank you for your memorandum dated March 31, 2008, requesting the transfer of \$2,631,412 from EDN 150 to EDN 600. It is also my understanding that Chair Baker of the Senate Ways and Means Committee has provided a response to you dated April 4, 2008. I would like to echo the sentiments of Chair Baker as expressed in that response.

Therefore, I insist on receiving official communication from the Governor in the form of a Governor's Message, relating to the budget, with regard to your request to transfer these additional funds.

In addition, it is my understanding that the Chief Financial Officer of the Charter Schools Administrative Office, Mr. Bob Roberts, knew of this discrepancy on or around February 1, 2008 via correspondence with my staff. Therefore, I wish to echo Chair Baker's sentiments about it taking so long to bring this discrepancy to light.

If you have any questions or concerns, please feel free to contact me at 586-6200. In addition, you may also contact my Budget Chief, Michael Ng, at 586-6200 as well. Thank you for your time and consideration on this matter.

c: Georgina Kawamura, Director, Dept. of Budget and Finance
Linda Smith, Senior Policy Advisor, Office of the Governor
Patricia Hamamoto, Superintendent, Dept. of Education
Senator Norman Sakamoto, Chair, Committee on Education
Representative Roy Takumi, Chair, Committee on Education
Bob Roberts, CSAO

Representative M. Oshiro continued his written remarks as follows:

"Temporary Assistance for Needy Families:

"Mr. Speaker, one of the areas of criticism in the budget will be the reductions to the Temporary Assistance for Needy Families (TANF) program.

"Mr. Speaker, there have been several comments made by the Director of Human Services that make the implication that we are heartless in our actions regarding TANF funding. As a former Legal Aid attorney, Mr. Speaker, I have worked with individuals and families on welfare. I have seen, first hand, their plight and their hopes and goals. One of the things I find most disturbing, Mr. Speaker, are insinuations that we are heartless.

"Director Koller and the Governor's "spin" team have done a magnificent job in changing the story. Everyone has forgotten and overlooked the simple truth that this would not be an issue if Director Koller had not misled the Legislature, service providers, and the public by submitting a false financial plan regarding TANF. I respectfully request your permission to submit correspondence that verifies this.

"The bottom line is that the misleading TANF financial plan submitted by the Director of Human Services shows that there are healthy ending balances through 2014. The truth, however, is that this is a result of incorrect math by the Department. Once corrected, the Department's TANF financial plan shows a deficit of \$16 million at the end of fiscal year 2010 – 20 months from now.

This means that even if we do nothing now, there WILL be a \$16 million cut to programs simply to balance the budget.

"The Legislature has been forced into making these cuts because of the Department's mistakes and erroneous information provided to the Legislature, providers, and the public.

"Mr. Speaker, I hope that the following remarks will clarify the reasons behind the Legislature's actions.

"The State receives nearly \$99 million every year from the federal government to run its TANF program. However, the Administration's plan was to spend \$137.6 million every year, or nearly \$38 million MORE than what the State receives. This is clearly not a sustainable plan. In fact, the Director's own documents show that the TANF reserve fund will have a NEGATIVE fund balance by the end of Fiscal Year 2010.

"At that point in time, we would be faced with having to cut TANF spending by \$38 million all at once, far more than the \$28 million reduction in this budget. Mr. Speaker, that seems like a far deeper and crueler course of action to me.

"There is also the belief that having a large reserve balance means that the money is gone forever. However, the Department's own spending habits today clearly points out the error in this reasoning. The only reason that the Department is able to spend TANF money on various arts and culture programs is because of the large reserve that is used for cash assistance payments. If those cash assistance payments can not be made out of the reserve, fewer resources are available for other programs.

"People like analogies, so here is mine: When the well is starting to run dry, you start to conserve water; you don't keep using it until it runs out and then start looking for another well. This budget proposes to conserve the TANF resources available, and that means having to reduce spending on these worthwhile programs. It is not an easy choice, but given the long-term ramifications, I believe it is the one that best serves the public interest in the long run.

"It is easy to spend money today and not worry about tomorrow. However, I do not feel that it is fiscally responsible to the people of Hawaii to do so.

"Thank you, Mr. Speaker."

Representative M. Oshiro submitted the following documents relating to TANF:

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HOUSE OF REPRESENTATIVES
State of Hawaii

March 31, 2008

MEMORANDUM

TO: Lillian B. Koller, Director
Department of Human Services

FROM: Representative Marcus R. Oshiro, Chairman *me*
House Committee on Finance

RE: TANF Financial Plan

Act 213, Session Laws of Hawaii 2007, Section 209, requires the Department of Human Services (DHS) to provide a detailed financial plan for federal Temporary Assistance for Needy Families (TANF) funds. After reviewing the plan posted on the DHS web site, your assistance is requested in clarifying a discrepancy noted in your TANF financial plan.

Page 4 of your December 2007 report (please note attachment 1 for reference) provides a detailed TANF financial plan from Fiscal Year (FY) 2006 to FY 2012. For FY 2007 and FY 2008, the beginning balance for the Federal Reserve Fund is the sum of the ending balances of the Federal Reserve Fund and TANF Federal from the prior fiscal year. However, this is not true for FY 2009-2012.

For example, the FY 2006 ending balance for the Federal Reserve Fund is \$83.6 million and the ending balance for TANF Federal is \$35.8 million. The sum of these balances is \$119.4 million, which is the beginning balance of the Federal Reserve Fund for FY 2007.

Likewise, the FY 2007 ending balance for the Federal Reserve Fund is \$75.3 million and the ending balance for TANF Federal is \$36.5 million. The sum of these balances is \$111.8 million, which is the beginning balance of the Federal Reserve Fund for FY 2008.

However, the FY 2008 ending balance for the Federal Reserve Fund is \$66.8 million and the ending balance for TANF Federal is \$0.8 million. The sum of these balances is \$67.6 million, which is not the beginning balance of the Federal Reserve Fund for FY 2009 reported by DHS. Your report clearly shows a beginning balance of \$92.2 million in FY 2009, \$24.6 million more than what the data actually indicates.

Furthermore, the FY 2009 ending balance for the Federal Reserve Fund is \$47.2 million and the ending balance for TANF Federal is \$6.3 million. The sum of these balances is \$53.5 million, which is not the beginning balance of the Federal Reserve Fund for FY

2010 reported by DHS. Your report clearly shows a beginning balance of \$78.3 million in FY 2010, \$24.8 million more than what the data actually indicates.

The cumulative difference over the two years discussed is \$49.5 million. Similar discrepancies are observed in FY 2011 and FY 2012, resulting in a \$99 million over-statement of revenue over the four years, FY 2009 through FY 2012 (please see attachment 2 for details).

Please provide the following information:

1. Please discuss the reason(s) for the discrepancies in the calculation of the fund balances for the Federal Reserve Fund.
2. Please provide an updated TANF financial plan that does not include these discrepancies.
3. Please discuss the impacts to services as a result of these differences from the original financial plan that you submitted to the Legislature in December 2007.

Please submit your response to my office no later than Friday, April 4, 2008. Should you have any questions or concerns regarding this matter, please contact Michael Ng, Budget Chief, of the House Committee on Finance at 586-6200. Thank you for your time and consideration of this matter.

Attachments

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ATTACHMENT 1

FINANCIAL PLAN FOR TANF FUNDS
REPORT DUE TO 2008 LEGISLATURE

TANF PURPOSES	FY 2008			FY 2007			FY 2006			FY 2005			FY 2004			FY 2003			FY 2002			FY 2001			FY 2000					
	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE	FEDERAL RESERVE FUND	TANF FEDERAL	TANF MOE			
BALANCE	118.8	98.9	71.2	119.4	99.9	71.2	111.9	99.9	71.2	92.2	98.9	71.2	76.3	98.9	71.2	84.3	98.9	71.2	50.4	98.9	71.2									
TRANSFERS TO:																														
1.2 CHILD CARE DEVELOPMENT FUND (CCDF)		5.0			7.4																									
3.4 SOCIAL SERVICES BLOCK GRANT (SSBG)		9.9			9.9																									
CASH ASSISTANCE TO NEEDY FAMILIES	33.2	0.0	24.4	41.1	0.0	26.9	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1
NON-ASSISTANCE PAYMENTS TO NEEDY FAMILIES	0.0	4.8	0.0	0.0	1.2	2.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0
ADMINISTRATION	2.0	7.5	8.1	2.4	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9	2.5	9.5	8.9
SYSTEMS COSTS	0.0	1.8	0.8	0.8	2.8	0.7	0.8	4.8	2.0	0.8	4.8	2.0	0.8	4.8	2.0	0.8	4.8	2.0	0.8	4.8	2.0	0.8	4.8	2.0	0.8	4.8	2.0	0.8	4.8	2.0
WORK PROGRAM CONTRACTS		7.1	0.0		10.4	0.0		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6
SUPPORT SERVICES		14.3	0.0		4.3	2.8		16.7	5.4		9.9	5.4		9.9	5.4		9.9	5.4		9.9	5.4		9.9	5.4		9.9	5.4		9.9	5.4
AFTER SCHOOL (A+) PROGRAM		0.0	4.9		0.0	5.6		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0
CHILD WELFARE SERVICES (CWS) - FOS		3.9	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0
TEEN PREGNANCY & FAMILY STRENGTHENING SERVICE		8.7	0.0		10.9	0.0		14.6	2.9		14.6	2.9		14.6	2.9		14.6	2.9		14.6	2.9		14.6	2.9		14.6	2.9		14.6	2.9
CHILD CARE BENEFITS		0.0	10.3		0.0	10.4		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0
MOE FROM MEDQUEST - CFA		0.0	24.0		0.0	18.7		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0
MOE FROM OTHER AGENCIES (VOLUNTEER HOURS, ET)		0.0	18.0		0.0	18.8		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0
ENDING BALANCE	68.0	35.6	(19.2)	75.3	36.5	(20.1)	66.8	0.6	(42.7)	47.2	6.3	(42.7)	33.3	6.3	(42.7)	18.3	6.3	(42.7)	5.4	6.3	(42.7)	18.3	6.3	(42.7)	33.3	6.3	(42.7)	18.3	6.3	(42.7)
PROJECTED EXPENDITURES	35.2	63.1	90.5	44.1	62.4	91.3	45.0	88.1	113.9	45.0	82.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9
TOTAL PROJECTED TANF EXPENDITURES		98.3		106.5			143.1			143.1			137.8			137.8			137.8			137.8			137.8			137.8		

TANF PURPOSES:

- 1 - Provide assistance to needy families.
- 2 - End the dependence of needy parents by promoting job preparation, work, and marriage.
- 3 - Prevent and reduce out-of-wedlock pregnancies.
- 4 - Encourage the formation and maintenance of two-parent families.

NOTES:

- 1) Federal TANF may allow up to 20% of the annual block grant to be transferred to CCDF and SSBG, with SSBG shares limited to 10% of the grant.
- 2) All unit costings are shared to enforce TANF.
- 3) Health care expenses paid by the State for Compact of Free Association (CFA) residents that can be claimed for TANF MOE.
- 4) Volunteer social services hours claimed at \$18.04 per hour and associated administrative costs.

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TANF Financial Plan Analysis

DHS December 2007 Report to the 2008 Legislature

Expenditure Categories	FY 2006			FY 2007			FY 2008			FY 2009			FY 2010			FY 2011			FY 2012							
	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE					
Beginning Balance	118.8	98.9	71.2	119.4	98.9	71.2	111.8	98.9	71.2	92.2	98.9	71.2	78.3	98.9	71.2	64.3	98.9	71.2	50.4	98.9	71.2					
Expenditures	35.2	63.1	90.5	44.1	62.4	91.3	45.0	98.2	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9					
Ending Balance	83.6	35.8	(19.3)	75.3	36.5	(20.1)	66.8	0.7	(42.7)	47.2	6.3	(42.7)	33.3	6.3	(42.7)	19.3	6.3	(42.7)	5.4	6.3	(42.7)					
Discrepancy in Financial Plan:																					24.7	24.8	24.7	24.8	24.7	24.8

Corrected Ending Balances

Expenditure Categories	FY 2006			FY 2007			FY 2008			FY 2009			FY 2010			FY 2011			FY 2012					
	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE	Federal Reserve Fund	TANF Federal	TANF MOE			
Balance	118.8	98.9	71.2	119.4	98.9	71.2	111.8	98.9	71.2	67.5	98.9	71.2	28.8	98.9	71.2	(9.9)	98.9	71.2	(48.6)	98.9	71.2			
Expenditures	35.2	63.1	90.5	44.1	62.4	91.3	45.0	98.2	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9			
Ending Balance	83.6	35.8	(19.3)	75.3	36.5	(20.1)	66.8	0.7	(42.7)	22.5	6.3	(42.7)	(16.2)	6.3	(42.7)	(64.9)	6.3	(42.7)	(93.6)	6.3	(42.7)			
Discrepancy in Financial Plan:																					(24.7)	(49.5)	(74.2)	(99.0)

Ending Balance Difference:

Ending Balance Difference:	(24.7)	(49.5)	(74.2)	(99.0)
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**REPORT TO THE TWENTY-FOURTH HAWAII STATE
LEGISLATURE 2008**

**IN ACCORDANCE WITH THE PROVISIONS OF
ACT 213, PART 7, SECTION 209
SESSION LAWS OF HAWAII (SLH) 2007**

**DEPARTMENT OF HUMAN SERVICES
BENEFIT, EMPLOYMENT AND SUPPORT SERVICES
DIVISION
DECEMBER 2007**

**REPORT ON ACT 213, PART 7, SECTION 209, RELATING TO THE STATE
BUDGET, SESSION LAWS OF HAWAII 2007**

ACT 213, PART 7, SECTION 210, SLH 2007, requires the Department to submit a detailed financial plan for federal TANF funds that shall encompass the prior two fiscal years, the current fiscal year, and the next four fiscal years, to include anticipated expenditures by type and fiscal year, and the balance of funding in the federal TANF reserve fund, for each of the fiscal years in the report.

TANF EXPENDITURES FOR STATE FY 2006, 2007, AND 2008:

See the attached charts for an explanation of expenditures for these fiscal years.

TANF FEDERAL FUND RESERVE FEDERAL FISCAL YEAR 2006, 2007:

See attached charts.

TANF PROJECTION FOR THE NEXT FOUR FISCAL YEARS:

The TANF program was reauthorized under the Deficit Reduction Act of 2005. We are currently evaluating various system, policy, and program changes that would be required due to the heightened work requirements and the Federal government defining the countable work activities and requiring the State to implement a documentation and verification system of a client's efforts. We believe the expenditures will remain constant over the next four years as that of the FY 2008 planned TANF expenditures.

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TANF (FEDERAL) LEGISLATIVE PROVISOS
STATE FISCAL YEAR (SFY) 2008

EXPENDITURE CATEGORIES	SECTION	AMOUNT
A. TRANSFERS		
TRANSFER TO CHILD CARE DEVELOPMENT FUND (CCDF)	206	19,900,000
TRANSFER TO SOCIAL SERVICES BLOCK GRANT (SSBG)	207	9,890,000
TOTAL TRANSFER		
B. ADMINISTRATION	202	9,500,000
C. SYSTEMS COSTS	208	2,088,155
D. CASH PAYMENTS TO NEEDY FAMILIES	203	45,000,000
E. PURCHASE OF SERVICE CONTRACTS		
POSITIVE YOUTH DEVELOPMENT (KALIHI, WAIPAHU, EWA BEACH, WAIANAE COAST)	200 (1)	224,875
PROGRAM FOR ABUSED OR NEGLECTED OR AT-RISK CHILDREN (FAMILY DEV, SUPPORT AND COUNSELLING)	200 (2)	442,318
MENTORING TO CHILDREN AND YOUTH OF SINGLE PARENT HOUSEHOLDS	200 (3)	250,000
POSITIVE YOUTH DEVELOPMENT IN THE COUNTY OF HAWAII	200 (4)	380,000
POSITIVE YOUTH DEVELOPMENT (KAPAA MIDDLE, CHIEFESS KAMAKAHELEI MIDDLE, WAIMEA CANYON)	200 (5)	450,000
ORGANIC MICRO-ENTERPRISE FARMING - WAIMANALO, OAHU	200 (6)	120,419
PROGRAM TO ASSIST LOW-INCOME ADULTS AND ADULTS TRANSITIONING FROM TANF/TAONF	200 (7)	348,993
TRAINING STIPENDS, EQUIPMENT, TUITION FOR TANF ELIGIBLE ADULTS ENROLLED IN CULINARY (HAWAII)	200 (8)	150,000
TRAINING PROGRAM FOR 38 TANF ELIGIBLE ADULTS - BIO TECH AND OTHER AGRICULTURAL (HILO, PUNA)	200 (9)	240,000
COLLABORATIVE TRANSITIONAL LIVING PROGRAMS - TANF ELIGIBLE YOUTH HEAD OF HH (ISLANDWIDE)	200 (10)	644,000
PROGRAM TO ASSIST TANF ELIGIBLE FAMILIES TO BECOME HOMEOWNERS (NANAKULI, HILO, MAUI, KAUAI)	200 (11)	125,000
PROGRAM TO ADDRESS ALCOHOL ABUSE AND STRENGTHEN PUBLIC AWARENESS (HAWAII)	200 (12)	175,650
PROGRAMS FOR DISADVANTAGED YOUTH AND TANF ELIGIBLE ADULTS - PALOLO VALLEY	200 (13)	288,468
PGMS FOR TANF ELIGIBLE NATIVE HAWAIIAN FAMILIES (40) TO SUCCEEDS IN HOMEOWNERSHIP - LEEWARD COAST	200 (14)	257,055
ASSIST 300 TANF ELIGIBLE FAMILIES TO RISE ABOVE POVERTY LINE TOWARD SELF-SUFFICIENCY (KAUAI)	200 (15)	76,780
ASSIST TANF ELIGIBLE FAMILIES TO RISE ABOVE POVERTY LINE TOWARD SELF-SUFFICIENCY (OAHU, MOLOKAI, HIL	200 (16)	185,000
		4,358,558
F. SALARY FOR 3 TEMPORARY TANF POSITIONS	201	200,000
G. WORK PROGRAM CONTRACTS, SUPPORT SERVICES, OUT-OF-WEDLOCK PREGNANCY PREVENTION	204	38,663,587
H. CHILD PROTECTIVE SERVICES - POS	205	7,000,000
I. AMOUNT APPROPRIATED BY LEGISLATURE THAT IS EARMARKED		5,899,700
J. ACT 107 - HEALTHY START PROGRAM AND ENHANCED HEALTHY START		1,660,409
TOTAL PER LEGISLATIVE PROVISOS		144,160,409

TANF PURPOSES:

- 1 - Provide assistance to needy families.
- 2 - End the dependence of needy parents by promoting job preparation, work, and marriage.
- 3 - Prevent and reduce out-of-wedlock pregnancies.
- 4 - Encourage the formation and maintenance of two-parent families.

FINANCIAL PLAN FOR TANF FUNDS
REPORT DUE TO 2008 LEGISLATURE

EXPENDITURE CATEGORIES	TANF PURPOSE	FY 2005		FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012			
		FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL		
BALANCE		118.8	98.9	71.2	119.4	88.9	71.2	111.8	98.9	71.2	92.2	98.9	71.2	64.3	98.9	71.2	50.4	98.9	71.2
TRANSFERS TO:																			
CHILD CARE DEVELOPMENT FUND (CCDF)	1,2		5.0			7.4			18.9						18.9				18.9
SOCIAL SERVICES BLOCK GRANT (SSBG)	3,4		9.9			9.9			9.9						9.9				9.9
CASH ASSISTANCE TO NEEDY FAMILIES	1	35.2	0.0	24.4	41.1	0.0	25.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1	41.7	0.0	35.1
NON-ASSISTANCE PAYMENTS TO NEEDY FAMILIES	1	0.0	4.6	0.0	0.0	1.2	2.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0
ADMINISTRATION	1,2	2.0	7.5	8.1	2.4	8.5	6.5	2.5	9.7	6.9	2.5	9.5	6.5	2.5	9.5	6.9	2.5	9.5	6.9
SYSTEMS COSTS	1	0.0	1.9	0.8	0.8	2.8	0.7	0.8	4.8	2.0	0.8	4.9	2.0	0.8	4.9	2.0	0.8	4.9	2.0
WORK PROGRAM CONTRACTS	1,2		7.1	0.0		10.4	0.0		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6
SUPPORT SERVICES	1,2		14.5	0.0		4.3	2.5		16.7	5.4		9.9	5.4		9.9	5.4		9.9	5.4
AFTER SCHOOL (A*) PROGRAM	1,2		0.0	4.9		0.0	5.5		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0
CHILD WELFARE SERVICES (CWS) - POS	3,4		8.7	0.0		10.9	0.0		14.6	2.9		16.0	2.9		16.0	2.9		16.0	2.9
TEEN PREGNANCY & FAMILY STRENGTHENING SERVICE	3,4		0.0	10.3		0.0	10.1		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0
CHILD CARE BENEFITS	1,2		0.0	24.0		0.0	18.7		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0
MOE FROM MEDQUEST - CFA	1		0.0	18.0		0.0	18.8		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0
MOE FROM OTHER AGENCIES (VOLUNTEER HOURS ET	1		0.0	18.0		0.0	18.8		0.0	18.0		0.0	18.0		0.0	18.0		0.0	18.0
ENDING BALANCE		85.6	35.8	(19.3)	75.3	36.5	(20.1)	66.8	0.8	(42.7)	47.2	6.3	(42.7)	19.3	6.3	(42.7)	5.4	6.3	(42.7)
PROCESSED EXPENDITURES		35.2	33.1	90.5	44.1	62.4	91.3	45.0	98.1	113.9	45.0	92.6	113.9	45.0	92.6	113.9	45.0	92.6	113.9
TOTAL PROPOSED TANF EXPENDITURES		99.3	99.3	90.5	163.4	163.4	163.4	148.1	148.1	148.1	137.8	137.8	137.8	137.8	137.8	137.8	137.8	137.8	137.8

TANF PURPOSES

- 1 - Provide assistance to needy families.
- 2 - End the dependence of needy parents by promoting job preparation, work, and marriage.
- 3 - Prevent and reduce out-of-wedlock pregnancies.
- 4 - Encourage the formation and maintenance of two-parent families.

NOTES:

- 1) Federal TANF rules allow up to 30% of the annual block grant to be transferred to CCDF and SSBG, with SSBG share limited to 10% of the grant.
- 2) All unit operating costs can be charged to prior year TANF grants.
- 3) All unit operating costs can be charged to prior year TANF grants.
- 4) Volunteer social services hours claimed at \$18.04 per hour and associated administrative costs.

COMPARISON OF LEGISLATIVE PROVISOS AND PLANNED TANF EXPENDITURES (STATE AND FEDERAL) STATE FISCAL YEAR (SFY) 2008 - DETAILED WORKSHEET					
EXPENDITURE CATEGORIES	A CONTRACT NO	B SFY 2008 LEG. CAP *	C SFY 2008 PLANNED (Federal Funds)	D DIFFERENCE (B - C)	E SFY 2008 TANF MOE (State Funds)
A. TRANSFERS					
TRANSFER TO CHILD CARE DEVELOPMENT FUND (CCDF)		19,900,000	19,900,000	0	0
TRANSFER TO SOCIAL SERVICES BLOCK GRANT (SSBG)		9,890,000	9,890,000	0	0
TOTAL TRANSFER		29,790,000	29,790,000	0	0
B. ADMINISTRATION		9,500,000	9,500,000	0	6,900,000
C. SALARY FOR 3 TEMPORARY TANF-FUNDED POSITIONS		200,000	200,000	0	0
D. SYSTEMS COSTS		2,088,155	2,800,000		800,000
TECHNICAL ASSISTANCE IN DATA MODELLING RELATIVE TO TANF WORK PARTICIPATION	PENDING		300,000		0
IBM CONTENT MANAGER PILOT	PENDING		49,500		0
DATA WAREHOUSE PROJECT	PENDING		957,000		0
HAWAII TANF ENHANCEMENTS	PENDING		500,000		0
HARDWARE / SOFTWARE	PENDING		281,726		0
PLANNED COMPUTER/EQUIPMENT PURCHASE FOR ELIGIBILITY WORKERS			0		1,200,000
TOTAL SYSTEMS COSTS		2,088,155	4,888,226	(2,800,071)	2,000,000
E. CHILD WELFARE SERVICES (CWS) - POS		7,000,000			
SSD - TEEN PREGNANCY PREVENTION & FAMILY STRENGTHENING SERVICES	DHS-05-BESSD-2235 (SA1)				
BLUE PRINT FOR CHANGE			807,000		0
PACT			200,000		0
HINA MAUKA - OAHU			103,000		0
HALE KIPA			2,925,555		0
YWCA - EAST HAWAII			400,000		0
FAMILY SUPPORT SERVICES OF WEST HAWAII			400,000		0
CHILD & FAMILY SERVICE - KAUAI			198,925		0
CHILD & FAMILY SERVICE - OAHU			400,000		0
MAUI FAMILY SUPPORT SERVICES - MOLOKAI			103,200		0
CATHOLIC CHARITIES - OAHU			400,000		0
MAUI FAMILY SUPPORT SERVICES - MAUI / LANAI			400,000		0
PACT			483,544		0
TO BE DETERMINED			78,110		0
TOTAL CHILD WELFARE SERVICES - POS		7,000,000	7,000,000	0	0
F. CASH PAYMENTS TO NEEDY FAMILIES		45,000,000			
ASSISTANCE PAYMENTS			41,700,000		35,100,000
ADM COSTS ASSOCIATED WITH PROVIDING ASSISTANCE			2,500,000		0
SYSTEMS COSTS ASSOCIATED WITH PROVIDING ASSISTANCE			600,000		0
TOTAL CASH PAYMENTS TO NEEDY FAMILIES		45,000,000	45,000,000	0	35,100,000
G. SUPPORT SERVICES, PREGNANCY PREVENTION AND WORK PROGRAM		38,663,587			
SUPPORT SERVICES - FTW PROGRAM (TRANSPORTATION, EDUCATION, TRAINING)			2,200,000		600,000
NON-ASSISTANCE PAYMENTS (INCLUDING GRANT DIVERSION)			1,450,000		0
SUPPORT SERVICES CONTRACTS:					
ALPHA HOUSE - SUBSTANCE ABUSE TREATMENT FOR TAOIF/TAOIF (MAUI, MOLOKAI, LANAI)	DHS-07-BESSD-4006		0		24,000
CFB - DOMESTIC VIOLENCE LEGAL SERVICES (EXCEPT KAUAI)	DHS-08-BESSD-5048		0		842,100
CYRCA INSURANCE MANAGEMENT - MEDICAL BOARD EVALUATION	DHS-06-BESSD-3098		0		1,528,881
DUIR - LEGAL ADVOCACY, OUTREACH AND REFERRAL SERVICES FOR TANF/TAOIF ELIGIBLE	DHS-06-BESSD-3156 (SA2)		150,000		0
FOOD STAMP PARTICIPATION AND OUTREACH SERVICES	DHS-06-BESSD-3187 (SA3)		250,000		0
GOODWILL - VOCATIONAL REHAB SERVICES FOR TANF/TAOIF RECIPIENTS (OAHU)	DHS-07-BESSD-4010 (SA1)		632,516		0
GOODWILL - VOCATIONAL REHAB SERVICES FOR TANF/TAOIF RECIPIENTS (EAST HAWAII)	DHS-05-BESSD-2191 (SA3)		475,000		0
HPHA - HOUSING PLACEMENT PROGRAMS FOR TANF FAMILIES	DHS-06-BESSD-2140		2,783,324		0
HPHA - HOUSING PLACEMENT PROGRAMS FOR TANF FAMILIES	DHS-06-BESSD-3187 (SA3)		2,698,000		0
HINA MAUKA - SUBSTANCE ABUSE TREATMENT FOR OAHU AND KAUAI	DHS-07-BESSD-4005		1,032,000		0
INSIGHTS TO SUCCESS - VOC REHABILITATION SERVICES (MAUI, KAUAI, WEST HAWAII)	DHS-06-BESSD-3107 (SA1)		0		454,030
LASH - DOMESTIC VIOLENCE LEGAL SERVICES	DHS-06-BESSD-3029 (SA2)		0		125,000
LOKAIHI TREATMENT CENTERS - SUBSTANCE ABUSE SERVICES (BIG ISLAND)	DHS-07-BESSD-4004		0		144,000
PARTNERS IN DEVELOPMENT FOUNDATION - FAMILY LITERACY THRU TUTU AND ME	DHS-07-BESSD-4171		0		450,000
SSD - DOMESTIC VIOLENCE SHELTER SERVICES & FAMILY STRENGTHENING SERVICES	DHS-06-BESSD-3180 (SA2)		0		1,200,000
TIFE - PARENTING SKILLS AND RESOURCE MANAGEMENT TRAINING	DHS-06-BESSD-3094 (SA2)		500,000		0
WINDWARD SPOT ABUSE SHELTER - DOMESTIC VIOLENCE SHELTER SERVICES	DHS-07-BESSD-4209		0		24,500
YWCA OF KAUAI - DOMESTIC VIOLENCE ADVOCACY SERVICES	DHS-06-BESSD-5047		0		51,100
TOTAL SUPPORT SERVICES			12,120,840		5,444,191
TEEN PREGNANCY PREVENTION & FAMILY STRENGTHENING SERVICES					
ADULT FRIENDS FOR YOUTH - TEEN PREGNANCY PREVENTION & FAMILY STRENGTHENING	DHS-06-3189 (SA1)		0		24,800
BABY HUI - TEEN PREGNANCY PREVENTION & FAMILY STRENGTHENING	DHS-06-BESSD-3192 (SA2)		0		24,800
BOYS & GIRLS CLUB OF HAWAII - TEEN PREGNANCY PREVENTION - EWA BEACH	DHS-07-BESSD-4147		0		125,000
BOYS & GIRLS CLUB OF HAWAII - TEEN PREGNANCY PREVENTION - WAIMEA, KAUAI	DHS-07-BESSD-4150		0		125,000
COUNTY OF KAUAI - FAMILY STRENGTHENING & POSITIVE YOUTH DEVELOPMENT	DHS-07-BESSD-4214		0		762,315
DAVID YAHIRO - FAMILY STRENGTHENING SERVICES	DHS-07-BESSD-4205		24,956		0
DBEDT - POSITIVE YOUTH DEVELOPMENT (HIEST ACADEMY PROGRAM)	DHS-07-BESSD-4213		1,928,568		0
DBEDT - POSITIVE YOUTH DEVELOPMENT (ROBOTICS)	DHS-07-BESSD-4212		100,000		0
DOE - TEEN PREGNANCY PREVENTION PROGRAM (PEP AND GRADZ PROGRAM)	DHS-06-BESSD-3040 (SA2)		90,390		0
DOE - UPLINK (MIDDLE SCHOOL STATEWIDE) AFTER SCHOOL PROGRAM	DHS-06-BESSD-3117 (SA1)		2,000,000		0
DOO - ABOUT FACE PROGRAM	DHS-05-BESSD-2233 (SA5)		1,472,290		0
DOO - ABOUT FACE PROGRAM	DHS-07-BESSD-4079		2,500,000		0
DOE - TEEN PREGNANCY PREVENTION (HEALTHY LIFESTYLES)	DHS-05-BESSD-2203 (SA2)		2,200,000		0
DOH - IMPLEMENT AND MONITOR TEEN PREGNANCY PREVENTION PROGRAMS	DHS-05-BESSD-1919 (SA3)		84,127		0
DOH - MONITORING OF FAMILY PLANNING HEALTH EDUCATION AND OUTREACH SERVICES	DHS-06-BESSD-5031		463,587		0
HALE KIPA - TEEN PREGNANCY PREVENTION IN YOUTH SERVICE CENTERS	DHS-07-BESSD-4148		0		125,000
HAWAII STATE COMMISSION ON FATHERHOOD	DHS-06-BESSD-3186 (SA1)		50,000		0
HEKEKO LLC - FAMILY STRENGTHENING	DHS-07-BESSD-4210		24,931		0
HONOLULU BOY CHOIR - POSITIVE YOUTH DEVELOPMENT	DHS-07-BESSD-4114		149,834		0
HUI MALAMALAM LEARNING CENTER - FAMILY STRENGTHENING SERVICES	DHS-07-BESSD-4208		24,990		0
HUI MALAMALAM LEARNING CENTER - TEEN PREGNANCY PREVENTION IN YOUTH SERVICE CTES	DHS-07-BESSD-4151		0		125,000
HUI MALAMALAM LEARNING CENTER - TEEN PREGNANCY PREVENTION	DHS-06-BESSD-3190 (SA1)		0		24,800
IGWIT INC - HEALTH EDUCATION NETWORK BY COMMUNITY-BASED ORGANIZATIONS	DHS-06-BESSD-5088		0		14,960
KANU O KAWAII LEARNING (KALO) - AFTER SCHOOL PGM AT NATIVE HAWAII CHARTER SCH	DHS-05-BESSD-2225 (SA3)		1,461,520		0
KOKUA KALIA VALLEY - TEEN PREGNANCY PREVENTION IN YOUTH SERVICE CTES (KALII)	DHS-06-BESSD-3144 (SA1)		0		137,500
KUALOA-HAEA ECUMENICAL YOUTH (KEY) - POSITIVE YOUTH DEVT (KAHALIUI AREA)	DHS-06-BESSD-5076		150,000		0
(THE) LEVIN GROUP - STRATEGIC PLANNING & TRAINING FOR DHS STAFF	DHS-06-BESSD-5080		33,115		0
MAUI ECONOMIC OPPORTUNITY COUNCIL - TEEN PREGNANCY PREVENTION	DHS-06-BESSD-3191 (SA1)		0		24,800
MAUI YOUTH & FAMILY SVCS - TEEN PREGNANCY PREVENTION IN YOUTH SERVICE CENTERS	DHS-07-BESSD-4152		0		125,000
NAJIBI COMMUNICATIONS INC - FAMILY STRENGTHENING	DHS-07-BESSD-4206		24,921		0
P A C T - TEEN PREGNANCY PREVENTION IN YOUTH SERVICE CENTERS (PUULWAU NOMI)	DHS-07-BESSD-4149		0		125,000
P A C T - TEEN PREGNANCY PREVENTION IN YOUTH SERVICE CENTERS (KALII)	DHS-06-BESSD-3142 (SA1)		0		201,478
PARTNERS IN DEVELOPMENT - POSITIVE YOUTH DEVELOPMENT	DHS-07-BESSD-4211		0		14,994
POSITIVE CONNECTIONS - FAMILY STRENGTHENING SERVICES	DHS-07-BESSD-4207		15,000,000		0
READ ALOUD AMERICA	DHS-07-BESSD-4190		539,871		0
SFCA - ARTS AND CULTURAL EDUCATION TO PREVENT OUT-OF-WEDLOCK PREGNANCIES	DHS-07-BESSD-4072		725,000		0
SUSANNAH WESLEY - TEEN PREGNANCY PREVENTION (KALII)	DHS-06-BESSD-3140 (SA1)		0		161,022
THE SALVATION ARMY - TEEN PREGNANCY PREVENTION (KEAUA)	DHS-07-BESSD-4154		0		125,000
THE SALVATION ARMY - TEEN PREGNANCY PREVENTION (PAHOA)	DHS-07-BESSD-4155		0		125,000
THE SALVATION ARMY - TEEN PREGNANCY PREVENTION (HILO)	DHS-07-BESSD-4153		0		125,000
UH - TEEN PREGNANCY PREVENTION COURSE FOR DOE TEACHERS	DHS-07-BESSD-4034		48,830		0
UH - EVALUATION OF MIDDLE SCHOOL AFTER SCHOOL UPLINK PROGRAM	DHS-06-BESSD-3146 (SA1)		0		202,000
UH - EVALUATION OF MOLOKAI MIDDLE SCHOOL AFTER SCHOOL UPLINK PGM	DHS-06-BESSD-3119 (SA1)		0		192,000
HONOLULU SYMPHONY SOCIETY	DHS-06-BESSD-5085		490,000		0
TOTAL TEEN PREGNANCY PREVENTION			14,599,730		2,910,473

COMPARISON OF LEGISLATIVE PROVISOS AND PLANNED TANF EXPENDITURES (STATE AND FEDERAL STATE FISCAL YEAR (SFY) 2008 - DETAILED WORKSHEET					
EXPENDITURE CATEGORIES	CONTRACT NO.	SFY 2008 LEG. CAP *	SFY 2008 PLANNED (Federal Funds)	DIFFERENCE (B - C)	SFY 2008 TANF MOE (State Funds)
WORK PROGRAM CONTRACTS					
CITY & COUNTY OF HONOLULU (WORK HAWAII) - CASE MANAGEMENT SERVICES ON OAHU	DHS-08-BESSD-5042		327,707		0
CITY & COUNTY OF HONOLULU (WORK HAWAII) - HO'ALA PRE-EMPLOYMENT TRAINING SVCS	DHS-08-BESSD-5043		1,689,047		0
DDD - FORWARD MARCH PROGRAM	DHS-06-3127 (SA3)		1,000,000		0
DOE - ADULT BASIC EDUCATION	DHS-06-BESSD-3047 (SA2)		0		130,554
DLIR - CASE MGT & JOB DEVELOPMENT SERVICES FOR TANF	DHS-04-BESSD-1704 (SA5)		715,327		715,327
DLIR - EMPLOYMENT CORE SERVICES FOR LOW INCOME POPULATIONS	DHS-06-BESSD-3058 (SA2)		0		1,250,000
DLIR - SHARED OFFICE SPACE WITH WDD	DHS-05-BESSD-2198		42,000		0
GOODWILL - CASE MANAGEMENT SERVICES (OAHU)	DHS 08-BESSD-8039		0		1,250,000
GOODWILL - CASE MANAGEMENT SERVICES (EAST HI)	DHS-06-BESSD-3031 (SA1)		412,500		0
GOODWILL - UNIVERSAL ENGAGEMENT (DOWNTOWN, OAHU)	DHS-04-BESSD-1959 (SA3)		632,469		0
GOODWILL - UNIVERSAL ENGAGEMENT (LEEWARD, OAHU)	DHS-05-BESSD-2136 (SA4)		851,213		0
GOODWILL - UNIVERSAL ENGAGEMENT (EAST HI - HILO)	DHS-05-BESSD-2137 (SA4)		621,501		0
GOODWILL - SEE PROGRAM (MARKETING, JOB DEVELOPMENT & PLACEMENT)	DHS-05-BESSD-2175		978,330		0
GOODWILL - SEE PROGRAM (MARKETING, JOB DEVELOPMENT & PLACEMENT)	DHS-05-BESSD-2175 (SA3)		45,816		0
INSIGHTS TO SUCCESS - CASE MANAGEMENT (MAUI, KAUAI, WEST HI)	DHS-06-BESSD-3024 (SA2)		835,767		0
INSIGHTS TO SUCCESS - GRANT DIVERSION PROGRAM ON MAUI, KAUAI, KONA	DHS-06-BESSD-3097 (SA2)		869,489		0
NORTHSTAR ALLIANCE - EMPLOYMENT & TRAINING FOR SEE PROGRAM PARTICIPANTS	DHS-07-BESSD-4143		2,500,000		0
PATRIOT MANAGED CARE SOLUTIONS - FISCAL AGENT FOR SEE PROGRAM	DHS-07-BESSD-4195		175,000		0
PATRIOT MANAGED CARE SOLUTIONS - SEE PROGRAM	VARIOUS		2,000,000		0
UNIVERSITY OF HAWAII - BRIDGE TO HOPE CAMPUS EMPLOYMENT	DHS-06-BESSD-3059 (SA2)		372,163		0
UNIVERSITY OF HAWAII (KCO) - VOCATIONAL SKILLS INSTRUCTION FOR FTW PARTICIPANTS	DHS-07-BESSD-4116 (SA1)		15,000		15,000
UNIVERSITY OF HAWAII (LCC) - ADULT BASIC SKILLS	DHS-07-BESSD-4039 (SA1)		101,775		101,775
UNIVERSITY OF HAWAII (MCC) - MAUI DENTAL SERVICES FOR TANF/TANF ELIGIBLES	DHS-05-BESSD-2139 (SA3)		0		150,000
TOTAL WORK PROGRAM CONTRACTS			13,985,104		3,612,656
TOTAL SUPPORT SERVICES, PREGNANCY PREVENTION AND WORK PROGRAM		38,663,587	40,705,674	(2,042,087)	11,967,320
H. PURCHASE OF SERVICE CONTRACTS					
POSITIVE YOUTH DEVELOPMENT (KALIHI, WAIPAHU, EWA BEACH, WAIANAIE COAST)		224,875	224,875		0
PROGRAM FOR ABUSED OR NEGLECTED OR AT-RISK CHILDREN (FAMILY DEV, SUPPORT AND COUNSELLING)		442,318	442,318		0
MENTORING TO CHILDREN AND YOUTH OF SINGLE PARENT HOUSEHOLDS		250,000	250,000		0
POSITIVE YOUTH DEVELOPMENT IN THE COUNTY OF HAWAII		380,000	380,000		0
POSITIVE YOUTH DEVELOPMENT (KAPAA MIDDLE, CHIEFESS KAMAKAHELEI MIDDLE, WAIIMEA CANYON)		450,000	450,000		0
ORGANIC MICRO-ENTERPRISE FARMING - WAIMANALO, OAHU		120,419	120,419		0
PROGRAM TO ASSIST LOW-INCOME ADULTS AND ADULTS TRANSITIONING FROM TANF/TANF		348,993	348,993		0
TRAINING STIPENDS, EQUIPMENT, TUITION FOR TANF ELIGIBLE ADULTS ENROLLED IN CULINARY (HAWAII)		150,000	150,000		0
TRAINING PROGRAM FOR 38 TANF ELIGIBLE ADULTS - BIO TECH AND OTHER AGRICULTURAL (HILO, PUNA)		240,000	240,000		0
COLLABORATIVE TRANSITIONAL LIVING PROGRAMS - TANF ELIGIBLE YOUTH HEAD OF HH (ISLANDWIDE)		644,000	644,000		0
PROGRAM TO ASSIST TANF ELIGIBLE FAMILIES TO BECOME HOMEOWNERS (NANAKULI, HILO, MAUI, KAUAI)		125,000	125,000		0
PROGRAM TO ADDRESS ALCOHOL ABUSE AND STRENGTHEN PUBLIC AWARENESS (HAWAII)		175,650	175,650		0
PROGRAMS FOR DISADVANTAGED YOUTH AND TANF ELIGIBLE ADULTS - PALOLO VALLEY		288,468	288,468		0
PGMS FOR TANF ELIGIBLE NATIVE HAWAIIAN FAMILIES (40) TO SUCCEED IN HOMEOWNERSHIP - LEEWARD COAST		257,055	257,055		0
ASSIST 300 TANF ELIGIBLE FAMILIES TO RISE ABOVE POVERTY LINE TOWARD SELF-SUFFICIENCY (KAUAI)		76,780	76,780		0
ASSIST TANF ELIGIBLE FAMILIES TO RISE ABOVE POVERTY LINE TOWARD SELF-SUFFICIENCY (OAHU, MOLOKAI, HILO)		185,000	185,000		0
TOTAL PURCHASE OF SERVICE CONTRACTS		4,358,958	4,358,958	0	0
I. AMOUNT APPROPRIATED BY LEGISLATURE THAT IS EARMARKED		5,899,700	0	5,899,700	0
J. ACT 107 - HEALTHY START PROGRAM AND ENHANCED HEALTHY START					
DOH - SERVICES TO PROMOTE CHILD HEALTH & DEVT IN NEWBORNS OF FAMILIES AT RISK	DHS-08-BESSD-5062	1,660,409	1,660,409	0	0
K. AFTER SCHOOL (A+) PROGRAM					
		0	0	0	6,000,000
L. CHILD CARE BENEFITS					
		0	0	0	5,000,000
M. MOE FROM DOE - AFTER SCHOOL PROGRAM ADM COSTS					
		0	0	0	5,000,000
N. MOE FROM MEDQUEST (CFA)					
		0	0	0	24,000,000
O. OTHER AGENCIES (VOLUNTEER HOURS, ETC)					
		0	0	0	18,000,000
P. PROJECTED UNEXPENDED FUNDS FROM CONTRACTS					
		0	(6,000,000)	6,000,000	0
Q. PLANNED CONTRACTS USING PROJECTED SAVINGS FROM (Q)					
COMMUNITY SERVICES RFP		0	3,000,000		0
DRUG ABUSE AWARENESS CAMPAIGN		0	1,000,000		0
PARTNERS IN DEVELOPMENT		0	1,200,000		0
MISCELLANEOUS CONTRACTS		0	800,000		0
		0	6,000,000	(6,000,000)	0
TOTAL EXPENDITURES		144,160,409	143,102,867	1,057,542	113,967,320
* TANF APPROPRIATED AMOUNT PER SECTION 199		142,500,000	TANF PURPOSES:		
TOTAL TANF FEDERAL PER LEGISLATIVE PROVISOS		(136,600,300)	1 - Provide assistance to needy families		
TOTAL AVAILABLE APPROPRIATED BY LEGISLATURE THAT IS EARMARKED		5,899,700	2 - End the dependence of needy parents by promoting job preparation work, and marriage		
♦ AMOUNT EARMARKED BY LEGISLATURE BUT ABSORBED BY OTHER LINE ITEMS			3 - Prevent and reduce out-of-wedlock pregnancies		
			4 - Encourage the formation and maintenance of two-parent families		

COMPARISON OF LEGISLATIVE PROVISOS AND PLANNED TANF EXPENDITURES (STATE AND FEDERAL)				
STATE FISCAL YEAR (SFY) 2008 - SUMMARY WORKSHEET				
EXPENDITURE CATEGORIES	A	B	C	D
	SFY 2008 LEG. CAP *	SFY 2008 PLANNED (Federal Funds)	DIFFERENCE (A - B)	SFY 2008 TANF MOE (State Funds)
A. TRANSFERS				
TRANSFER TO CHILD CARE DEVELOPMENT FUND (CCDF)	19,900,000	19,900,000	0	0
TRANSFER TO SOCIAL SERVICES BLOCK GRANT (SSBG)	9,890,000	9,890,000	0	0
TOTAL TRANSFER	29,790,000	29,790,000	0	0
B. ADMINISTRATION	9,500,000	9,500,000	0	6,900,000
C. SALARY FOR 3 TEMPORARY TANF-FUNDED POSITIONS	200,000	200,000	0	0
D. SYSTEMS COSTS	2,088,155	4,888,226	(2,800,071)	2,000,000
E. CHILD WELFARE SERVICES (CWS) - POS	7,000,000	7,000,000	0	0
F. CASH PAYMENTS TO NEEDY FAMILIES	45,000,000			
ASSISTANCE PAYMENTS		41,700,000		35,100,000
ADM COSTS ASSOCIATED WITH PROVIDING ASSISTANCE		2,500,000		0
SYSTEMS COSTS ASSOCIATED WITH PROVIDING ASSISTANCE		800,000		0
TOTAL CASH PAYMENTS TO NEEDY FAMILIES	45,000,000	45,000,000	0	35,100,000
G. SUPPORT SERVICES, PREGNANCY PREVENTION, AND WORK PROGRAM	38,663,587			
SUPPORT SERVICES - FTW PROGRAM (TRANSPORTATION, EDUCATION, TRAINING)		2,200,000		600,000
NON-ASSISTANCE PAYMENTS (INCLUDING GRANT DIVERSION)		1,450,000		0
SUPPORT SERVICES CONTRACTS		8,470,840		4,844,191
TEEN PREGNANCY PREVENTION & FAMILY STRENGTHENING SERVICES		14,599,730		2,910,473
WORK PROGRAM CONTRACTS		13,985,104		3,612,656
	38,663,587	40,705,674	(2,042,087)	11,967,320
H. PURCHASE OF SERVICE CONTRACTS	4,358,558	4,358,558	0	0
I. AMOUNT APPROPRIATED BY LEGISLATURE THAT IS EARMARKED	5,899,700	0	5,899,700	0
J. ACT 107 - - - HEALTHY START PROGRAM AND ENHANCED HEALTHY START	1,660,409	1,660,409	0	0
K. AFTER SCHOOL (A+) PROGRAM	0	0	0	6,000,000
L. CHILD CARE BENEFITS	0	0	0	5,000,000
M. MOE FROM DOE - AFTER SCHOOL PROGRAM ADM COSTS	0	0	0	5,000,000
N. MOE FROM MEDQUEST (CFA)	0	0	0	24,000,000
O. OTHER AGENCIES (VOLUNTEER HOURS, ETC)	0	0	0	18,000,000
P. PROJECTED UNEXPENDED FUNDS FROM CONTRACTS	0	(6,000,000)	6,000,000	0
Q. PLANNED CONTRACTS USING PROJECTED SAVINGS FROM (Q)				
COMMUNITY SERVICES RFP	0	3,000,000		0
DRUG ABUSE AWARENESS CAMPAIGN	0	1,000,000		0
PARTNERS IN DEVELOPMENT	0	1,200,000		0
MISCELLANEOUS CONTRACTS	0	800,000		0
	0	6,000,000	(6,000,000)	0
TOTAL EXPENDITURES	144,160,409	143,102,867	1,057,542	113,967,320
TANF PURPOSES:				
1 - Provide assistance to needy families.				
2 - End the dependence of needy parents by promoting job preparation, work, and marriage.				
3 - Prevent and reduce out-of-wedlock pregnancies.				
4 - Encourage the formation and maintenance of two-parent families.				
* TANF APPROPRIATED AMOUNT PER SECTION 199	142,500,000			
TOTAL TANF FEDERAL PER LEGISLATIVE PROVISOS	(136,600,300)			
TOTAL AVAILABLE APPROPRIATED BY LEGISLATURE THAT IS EARMARKED	5,899,700			

LINDA LINGLE
GOVERNOR



STATE OF HAWAII
DEPARTMENT OF HUMAN SERVICES
P. O. Box 339
Honolulu, Hawaii 96809-0339

2008 APR -7 P 6:15

April 7, 2008

MEMORANDUM

TO: The Honorable Marcus R. Oshiro, Chair
House Committee on Finance

FROM: Lillian B. Koller, Director
Department of Human Services

SUBJECT: TANF Financial Plan

Thank you for allowing us to respond today to your March 31, 2008 memo. Attached are the following:

- An email from Cynthia Gomez dated April 7, 2008 explaining how the discrepancies in the calculations of the TANF fund balances occurred.
- A revised TANF Financial Plan with the corrections and additional notations in bold at the bottom of the chart. It is important to consider these notations as you move forward with decision-making relating to proposed cuts in Federal TANF funds.
- Impacts from proposed cuts to TANF funded programs in a hand-out entitled "WHY WE NEED TO PROTECT OUR TANF-FUNDED SOCIAL PROGRAMS".

With respect to the attached revised TANF Financial Plan, which spans from 2006 to 2012, please note:

This is not reliable. This is not an accurate reflection of the amounts that will be available in the TANF Reserve at any given time because:

1. **Contracts are allocated at full contract price which rarely gets fully expended and unused amounts lapse to the TANF Reserve;**
2. **TANF transfer to CCDF (\$19.9 Million) is allocated to full appropriation level which rarely gets fully expended and unused amounts lapse to the TANF Reserve;**
3. **TANF transfer to SSBD (\$9.89 Million) is allocated to full appropriation level which rarely gets fully expended and unused amounts lapse to the TANF Reserve;**
4. **Cash assistance is allocated at the full authorized amount while spending is only on families who meet Federal eligibility requirements and unused amounts will lapse to the TANF Reserve;**

AN EQUAL OPPORTUNITY AGENCY

Mohitwala Analyst

LILLIAN B. KOLLER, ESQ.
DIRECTOR
HENRY OLIVA
DEPUTY DIRECTOR

The Honorable Marcus R. Oshiro, Chair
April 7, 2008
Page 2

5. **Position vacancy savings from TANF funded positions will lapse to the TANF Reserve; and**
6. **Information and Technology contracts are allocated at full contract price and, if not fully expended, will lapse unused amounts to the TANF Reserve.**

The only time that DHS has reliable figures for the actual amount in the TANF Reserve is at the end of December following the close of the Federal fiscal year.

Finally, we wish to point out that while the TANF Reserve has been reducing over the past few years, this is not solely due to our expanded TANF spending under TANF Purposes 2, 3 and 4, including many new work and work support programs, positive youth development and family strengthening programs, and child welfare services. While Legislators are targeting these valuable programs for reduction, supposedly in order to build up the TANF Reserve, please take note that there is another significant contributor to the reduction of the TANF Reserve over the past few years.

Specifically, to maximize the use of Federal TANF funds, DHS shifted \$18 million in expenses from State money to Federal money in 2006, shifted \$18.6 million from State to Federal funds in 2007, and we had intended to continue doing this with the Legislature's approval. These Federal TANF funds are used for cash assistance to the disabled and others who do not qualify for TANF and were previously paid with State funds. These Federal TANF funds for cash assistance come from the TANF Reserve and significantly reduce the TANF Reserve.

If Legislators are intent on building up the TANF Reserve again, instead of cutting valuable work support and family poverty reduction programs, they can resume spending State funds – instead of Federal TANF funds – in the amount of \$20 million per year starting 2009 for cash assistance to the disabled and others who do not qualify for TANF as was previously done, prior to 2006. This would leave the TANF Reserve at \$48.9 million for 2010 and slow down the reduction in TANF Reserve through 2012. Enclosed is an alternative TANF Financial Plan showing this strategy.

We stand by our policy in favor of putting all the Federal TANF Reserve to work to prevent and ameliorate family poverty in Hawaii. Please encourage you and your colleagues to join us.

Attachments

- c: Senator Rosalyn H. Baker
Barry Fukunaga, Chief of Staff,
Office of the Governor

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Cynthia Gomez/DHS
04/07/2008 03:47 PM

To: Pankaj Bhanot/bessd/DHS@DHS
cc: Lillian B Koller/DHS/StateHIUS@StateHIUS, Edwin Igarashi/DHS@dhs
bcc:
Subject: Response to House Committee on Finance (Re: TANF Financial Plan)

Hi Pankaj,

This is in response to question no. 1 of Representative Marcus R. Oshiro's request, asking for the reason(s) for the discrepancies in the calculation of the fund balances for the Federal Reserve Fund. The discrepancy was attributed to an error in the Excel spreadsheet formula that was used to compute the beginning balances. The cell that showed the FY 2009 Federal Reserve Fund beginning balance contained the formula "N44 (Ending Balance of FY 2008 Federal Reserve Fund) + O44 (Ending Balance of FY 2008 TANF Federal) + 24.6." This formula resulted in a beginning balance of \$92.2 million. The additional \$24.6 million was from a previous calculation that in error, was not deleted. (Please note that this Excel spreadsheet had been used in prior years wherein actual numbers were entered instead of formulas). The formula should have been "N44 (Ending Balance of FY 2008 Federal Reserve Fund) + O44 (Ending Balance of FY 2008 TANF Federal)," resulting in the correct balance of \$67.6 million. The spreadsheet has since been revised and updated to reflect the correct balances. Attached is the corrected worksheet showing FY 2009 Beginning Balance for Federal Reserve Fund of \$67.6 million, which is the sum of FY 2008 Ending Balance for Federal Reserve fund of \$66.8 million and FY 2008 Ending Balance of TANF Federal of \$0.8 million.

Financial Plan - FY 08 Legislature.xls

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Cynthia Gomez
Financial Management Office
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Fax: (808) 586-5636
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FINANCIAL PLAN FOR TANF FUNDS
REPORT DUE TO 2008 LEGISLATURE

EXPENDITURE CATEGORIES	TANF PURPOSE S	FY 2008		FY 2007		FY 2006		FY 2009		FY 2010		FY 2011		FY 2012	
		FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL	FEDERAL RESERVE FUND	TANF FEDERAL
BALANCE		118.8	98.9	118.4	98.9	111.8	98.9	87.6	98.9	28.9	99.9	(9.8)	98.9	(48.4)	99.9
TRANSFERS TO:															
CHILD CARE DEVELOPMENT FUND (CCDF)	1, 2		2.0		7.5		19.9		19.9		19.9		19.9		19.9
SOCIAL SERVICES BLOCK GRANT (SSBG)	3, 4		2.9		6.2		2.9		3.9		3.9		3.9		3.9
CASH ASSISTANCE TO NEEDY FAMILIES	1	33.2	0.0	41.1	0.0	41.7	0.0	41.7	0.0	41.7	0.0	41.7	0.0	41.7	0.0
NON-ASSISTANCE PAYMENTS TO NEEDY FAMILIES	1	0.0	4.6	0.0	0.0	0.0	1.5	0.0	1.5	0.0	1.5	0.0	1.5	0.0	1.5
ADMINISTRATION	1, 2	2.0	7.5	2.4	6.5	2.5	9.7	2.5	9.5	2.5	9.5	2.5	9.5	2.5	9.5
SYSTEMS COSTS	1	0.0	1.9	0.8	0.7	0.8	4.9	0.8	4.9	0.8	4.9	0.8	4.9	0.8	4.9
WORK PROGRAM CONTRACTS	1, 2	7.1	0.0	10.4	0.0	14.0	3.6	14.0	3.6	14.0	3.6	14.0	3.6	14.0	3.6
SUPPORT SERVICES	1, 2	14.5	0.0	4.3	2.6	16.7	5.4	9.9	5.4	9.9	5.4	9.9	5.4	9.9	5.4
AFTER SCHOOL (A+) PROGRAM	1, 2	0.0	4.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
CHILD WELFARE SERVICES (CWS) - POS	3, 4	3.9	0.0	7.0	0.0	7.0	0.0	7.0	0.0	7.0	0.0	7.0	0.0	7.0	0.0
TEEN PREGNANCY & FAMILY STRENGTHENING SERVICES	3, 4	8.7	0.0	10.9	0.0	14.6	2.9	15.0	2.9	16.0	2.9	16.0	2.9	16.0	2.9
CHILD CARE BENEFITS	1, 2	0.0	10.3	0.0	10.4	0.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0	0.0	10.0
MOE FROM MEDQUEST - CFA	1	0.0	24.0	0.0	18.7	0.0	24.0	0.0	24.0	0.0	24.0	0.0	24.0	0.0	24.0
MOE FROM OTHER AGENCIES (VOLUNTEER HOURS, ETC)	1	0.0	18.0	0.0	18.0	0.0	43.4	0.0	43.4	0.0	43.4	0.0	43.4	0.0	43.4
ENDING BALANCE		89.5	35.8	75.3	36.5	66.8	0.8	22.6	6.3	(16.1)	6.3	(54.9)	6.3	(93.4)	6.3
PROJECTED EXPENDITURES		35.2	63.1	44.1	62.4	45.0	68.1	45.0	67.6	45.0	67.6	45.0	67.6	45.0	67.6
TOTAL PROJECTED TANF EXPENDITURES		98.3	98.3	105.5	91.3	143.1	139.3	137.2	139.3	137.2	139.3	137.2	139.3	137.2	139.3

NOTES:

- 1 - Provide assistance to needy families.
- 2 - End the dependence of needy parents by promoting job preparation, work and manage.
- 3 - Prevent and reduce out-of-wedlock pregnancies.
- 4 - Encourage the formation and maintenance of two-parent families.

This is not reliable. This is not an accurate reflection of the amounts that will be available in the TANF Reserve at any given time because:

1. Contracts are allocated at full contract price which rarely gets fully expended and unused amounts lapse to the TANF Reserve;
2. TANF transfer to CCDF (\$18.9 Million) is allocated to full appropriation level which rarely gets fully expended and unused amounts lapse to the TANF Reserve;
3. TANF transfer to SSBG (\$9.89 Million) is allocated to full appropriation level which rarely gets fully expended and unused amounts lapse to the TANF Reserve;
4. Cash assistance is allocated at the full authorized amount while spending is only on families who meet Federal eligibility requirements and unused amounts will lapse to the TANF Reserve;
5. Position vacancy savings from TANF funded positions will lapse to the TANF Reserve; and
6. Information and Technology contracts are allocated at full contract price and, if not fully expended, will lapse unused amounts to the TANF Reserve.

The only time that DHS has reliable figures for the actual amount in the TANF Reserve is at the end of December following the close of the Federal fiscal year.

WHY WE NEED TO PROTECT OUR TANF-FUNDED SOCIAL PROGRAMS

Under budget amendments that the State Legislature is considering, there is a danger that Hawaii's most vulnerable populations will suffer harm due to severe spending cuts of Federal dollars. Many parents and children will be deprived of programs that strengthen at-risk families, bring about positive youth development and help people prepare for and obtain employment.

The House budget plan (HB 2500, HD1) would impose \$27 million in Federal spending cuts to our State's annual allotment of Temporary Assistance for Needy Families (TANF) funding. The Senate plan (HB 2500, HD1, SD1) would slash \$22 million in Federal TANF expenditures.

While some Legislators think it is fiscally prudent to save these Federal dollars for another day, making severe cuts to Hawaii's social programs would actually have the opposite effect. Research shows these programs (see attached list of programs) fulfill the goals of TANF by preventing and ameliorating the long-term effects of family poverty, thus saving taxpayer dollars. This is accomplished by providing services to assist families living in poverty by helping them find and keep employment, and by promoting academic achievement and career preparation, reducing teenage pregnancies, fighting drug and alcohol abuse, teaching life skills and healthy choices, and saving families from domestic violence and child abuse and neglect.

Here are some of the reasons why the Department of Human Services (DHS) strongly believes that the proposed cuts in Federal TANF spending would be harmful for Hawaii's people.

You can save Federal TANF funds but you cannot use them for a rainy day

Our State's annual allotment of nearly \$100 million in Federal TANF funds may not serve as an effective "rainy day" emergency fund during an economic collapse. If a large number of businesses do close in the future, their laid-off workers would be eligible for six months of unemployment benefits. Such families may receive too much money to qualify for cash assistance through TANF. It is far better to put these Federal dollars to work right now by providing needy residents with training, childcare, transportation and other supports that enable them to successfully compete for rewarding jobs and become fully productive, taxpaying citizens.

It's magic: You can scale back on poverty prevention programs at any time

If Hawaii does sustain a harsh economic downturn that causes a significant spike in the welfare rolls, **at that time** we could reduce Federal spending on poverty prevention programs and direct these TANF dollars toward cash assistance. DHS has the flexibility to scale back or eliminate Federal funding for contracted services at any time. However,

why would we want to cut these valuable programs prematurely? Our State economy is still growing and the family poverty prevention programs are succeeding. Moreover, our TANF caseload has not increased since 2000, and a significant increase is unlikely, despite gloomy predictions from some people.

Beware of self-fulfilling doomsday prophecies

If the Legislature slashes \$7 million from our Federal TANF work and work support contracts as the Senate has proposed to do, or slashes \$5 million as the House has proposed to do, this unwise move could result in a self-fulfilling doomsday prophecy. Cutting programs that promote self-sufficiency by helping DHS clients transition from welfare to the workplace would keep these families trapped in poverty. In addition, companies may have a harder time meeting their labor demands by employing welfare clients at a time when Hawaii has experienced the lowest unemployment rates in the nation over the past several years.

Getting the biggest bang for our taxpayer bucks

In addition, proposed cuts to family poverty prevention programs for at-risk youth would result in more unwanted pregnancies, higher dropout rates in school, an increase in substance abuse, escalation of child abuse and domestic violence, and a general rise in crime. Investing in positive youth development and teen pregnancy prevention programs creates many additional social benefits, meaning we get more mileage out of our Federal TANF expenditures. These added benefits include character building among at-risk teens, better school attendance and graduation rates, avoidance of alcohol and drug abuse, enhanced life skills and improved job preparedness.

We cannot hope for a bigger return on our Federal TANF spending than helping Hawaii's young people turn their lives around and achieve their potential as productive citizens. Our strategy of contracting with community providers for family poverty prevention services began in December 2003 when DHS awarded a total of \$500,000 to three organizations: the Susannah Wesley Community Center, Kokua Kalihi Valley and Parents and Children Together (PACT), and has grown to an investment of approximately one quarter of all our Federal TANF funds into family poverty prevention.

This compassionate and forward-thinking strategy has proven successful for many reasons. It has won the endorsement of top-ranking Federal officials, and it deserves to be continued.

Our TANF-funded programs are proven to be effective

When DHS funds family poverty prevention programs, we want to make sure this TANF money is well spent. That is why we contracted in 2006 for an independent study by the notably respected Lewin Group. This health and human services consulting firm determined that every TANF-funded positive youth development and teen pregnancy program in the State follows approaches that are known to be effective. The consultants

based this analysis on visits to the program sites and on extensive research published in the scientific literature.

Proposed Federal TANF spending reductions disregard the TANF Strategic Plan

The Legislature's intention to sharply reduce Federal TANF spending totally disregards objectives of the recently implemented Five-Year TANF Strategic Plan. This plan was called for by the 2006 Legislature and developed over 18 months with the assistance of community stakeholders across the Islands.

According to the plan, at least 25 percent of the State's annual Federal TANF block grant (nearly \$100 million per year) should be spent on TANF Purpose 3 (preventing out-of-wedlock pregnancies, including positive youth development programs) and TANF Purpose 4 (forming and maintaining two-parent families, including family strengthening services). If the Legislature's proposed spending cuts become reality, the percentage of Federal TANF funds used for these purposes would drop to just 2 percent.

By spending Federal funds, we save State dollars

Since Lillian Koller became Human Services Director in 2003, DHS has worked to maximize the spending of Federal dollars while minimizing the spending of State dollars. This sound fiscal strategy has the Legislature's support and is producing substantial savings for the State budget.

For example, to maximize the use of Federal TANF funds, DHS shifted \$18 million in expenses from State money to Federal money in 2006, shifted \$18.6 million in 2007 and intends to continue this strategy at approximately \$20 million annually in the future. These Federal TANF funds come from the TANF Reserve and significantly reduce the TANF Reserve.

DHS can accomplish this shift because our community-based service providers – the ones in danger of losing TANF support – also use non-Federal funds to help families escape poverty or avoid becoming destitute. Because these efforts are in keeping with the goals of TANF, the Federal government allows DHS to count expenditures by our service providers toward the State's Maintenance of Effort (MOE) requirement.

This means Hawaii can use Federal dollars – and save State funds – when providing cash assistance (welfare checks) to disabled people and others who are not eligible for TANF because they do not meet the Federal work requirements. If DHS has to cut back on its service contracts, we will have to increase spending of State dollars to meet the required MOE expenditures in order to avoid Federal penalties.

If Legislators are intent on building up the TANF Reserve again, instead of cutting valuable work support and family poverty reduction programs, they can resume spending State funds – instead of Federal TANF funds – for cash assistance to the disabled and

others who do not qualify for TANF and were previously paid with State funds. This will restore approximately \$18 million to \$20 million to the TANF Reserve annually.

It is a scandalous waste to let our share of Federal funds sit idle

Finally, it does not make sense to leave Federal dollars in the Federal treasury rather than put that money to the best possible use. To deprive our citizens of their fair share of Federal dollars, or to let that money sit idle, is a scandalous waste of resources. Many of Hawaii's men, women and children have significant needs. We should use our Federal TANF funding – every last penny – to empower people so they can gain self-sufficiency, self-determination and independence, and lead happy and productive lives.

ALTERNATIVE FINANCIAL PLAN FOR TANF FUNDS

EXPENDITURE CATEGORIES	FY 2006		FY 2007		FY 2008		FY 2009		FY 2010		FY 2011		FY 2012					
	FEDERAL FUND	TANF MOE	FEDERAL FUND	TANF MOE	FEDERAL FUND	TANF MOE	FEDERAL FUND	TANF MOE	FEDERAL FUND	TANF MOE	FEDERAL FUND	TANF MOE	FEDERAL FUND	TANF MOE				
BALANCE	118.8	99.9	71.2	119.4	98.9	71.2	67.6	98.9	71.2	48.9	98.9	71.2	30.2	98.9	71.2	11.6	98.9	71.2
TRANSFERS TO:																		
CHILD CARE BENEFITS FUND - CDFP		5.0			7.4			19.9			19.9			19.9			19.9	
SOCIAL SERVICES BLOCK GRANT (SSBG)		9.3			9.2			9.3			9.3			9.3			9.3	
CASH ASSISTANCE TO NEEDY FAMILIES	38.2	0.0	24.4	41.1	0.0	35.1	21.7	0.0	55.1	21.7	0.0	55.1	21.7	0.0	55.1	21.7	0.0	58.7
NON-ASSISTANCE PAYMENTS TO NEEDY FAMILIES	0.0	4.6	0.0	0.0	1.2	2.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0	0.0	1.5	0.0
ADMINISTRATION	1.2	7.5	6.1	2.4	8.5	6.9	2.5	9.5	6.9	2.5	9.5	6.9	2.5	9.5	6.9	2.5	9.5	6.9
SYSTEMS COSTS	0.0	1.9	0.8	0.6	2.8	0.7	0.8	4.9	2.0	0.8	4.9	2.0	0.8	4.9	2.0	0.8	4.9	2.0
WORK PROGRAM CONTRACTS																		
SUPPORT SERVICES		14.5	0.0		10.4	0.0		14.0	3.6		14.0	3.6		14.0	3.6		14.0	3.6
AFTERSCHOOL (A*) PROGRAM		0.0	4.9		0.0	5.6		0.0	6.0		0.0	6.0		0.0	6.0		0.0	6.0
CHILD WELFARE SERVICES (CWS) - FOS		3.9	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0		7.0	0.0
TEEN PREGNANCY & FAMILY STRENGTHENING SERVICES		8.7	0.0		10.9	0.0		14.6	2.9		14.6	2.9		16.0	2.9		16.0	2.9
CHILD CARE BENEFITS		0.0	10.3		0.0	10.4		0.0	10.0		0.0	10.0		0.0	10.0		0.0	10.0
MOE FROM MEDQUEST - CFA		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0		0.0	24.0
MOE FROM OTHER AGENCIES (VOLUNTEER HOURS, ETC)		0.0	18.6		0.0	18.6		0.0	43.4		0.0	43.4		0.0	43.4		0.0	43.4
ENDING BALANCE	89.6	35.8	(19.3)	75.3	38.5	(20.7)	66.6	0.8	(88.1)	42.8	0.3	(88.1)	23.9	6.3	(88.1)	5.2	6.3	(88.1)
TOTAL PROJECTED TANF EXPENDITURES	38.2	63.1	90.5	44.1	62.4	91.3	45.0	98.1	138.3	25.0	92.6	159.3	25.0	92.6	159.3	25.0	92.6	159.3
TANF PURPOSES:																		
1 - Provide assistance to needy families.																		
2 - End the dependence of needy parents by promoting job preparation, work, and marriage.																		
3 - Promote the formation and maintenance of kinship care arrangements.																		
4 - Encourage the formation and maintenance of kinship care arrangements.																		

NOTES:
 1 - Federal TANF rules allow up to 30% of the annual block grant to be transferred to CDFP and SSBG, with SSBG share limited to 10% of the grant.
 2 - IM utility operating costs can be charged to prior year TANF grants.
 3 - Information and Technology contracts are funded by the State and the parent association (CFA) residents that can be claimed for TANF MOE.
 4 - Volunteer social services hours earned at \$10.00 per hour and associated administrative costs.

This is NOT reliable. This is not an accurate reflection of the amounts that will be available in the TANF Reserve at any given time because:

1. Contracts are allocated at full contract price which rarely gets fully expended and unused amounts lapse to the TANF Reserve;
2. TANF transfer to CDFP (19.9) and SSBG (9.3) are allocated to full contract price and unused amounts lapse to the TANF Reserve;
3. TANF transfer to SSBG (9.3) is allocated to full contract price and unused amounts lapse to the TANF Reserve;
4. Cash assistance is allocated at the full authorized amount while spending is only on families who meet Federal eligibility requirements and unused amounts will lapse to the TANF Reserve;
5. Position vacancy savings from TANF funded positions will lapse to the TANF Reserve; and
6. Information and Technology contracts are allocated at full contract price and, if not fully expended, will lapse unused amounts to the TANF Reserve.

The only time that DHS has reliable figures for the actual amount in the TANF Reserve is at the end of December following the close of the Federal fiscal year.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2500, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 48 ayes, with Representatives Marumoto, McKelvey and Nakasone being excused.

At 12:11 o'clock p.m., the Chair noted that H.B. No. 2500, HD 1, SD 1, CD 1, passed Final Reading.

At 12:11 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:14 o'clock p.m. with Vice Speaker Chong presiding.

At this time, the Chair recognized the Clerk who announced:

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 2500, HD 1, SD 1, CD 1, was adopted, and said H.B. No. 2500, HD 1, SD 1, CD 1, Relating to the State Budget, passed Final Reading in the Senate at 11:15 a.m. on this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 12:14 p.m. on this day, H.B. No. 2500, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9, of the Hawaii State Constitution."

The Chair then announced:

"Members, at this time the Chair will be taking Conference Committee Report No. 43-08 out of order."

CONSENT CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 43-08 and S.B. No. 2363, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee and S.B. No. 2363, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SEXUAL ASSAULT," were recommitted to the Committee on Conference, with Representatives Berg and Nakasone being excused.

The Chair then announced:

"Members, there will be no discussion as these items are agreed to by this body, for placement on the Consent Calendar."

At 1:16 o'clock p.m., Representative Takai requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:17 o'clock p.m.

Conf. Com. Rep. No. 13-08 and S.B. No. 2838, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2838, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final

Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 15-08 and S.B. No. 2054, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2054, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 17-08 and S.B. No. 3087, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3087, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana submitted written remarks in support of the measure as follows:

"Thank you, Mr. Speaker, I stand in support.

"Earlier this year, an incident took place in Downtown Honolulu where prevailing wage law at a construction site was placed into question. This bill helps to address these types of situations and is supported by the Department of Labor and Industrial Relations. I believe the penalties are just, as violations are handled swiftly with the message being loud and clear. Pay your workers according to the law or a heavy price of financial penalties and future job opportunities will be jeopardized. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3087, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTOR SUSPENSION ON PUBLIC WORKS PROJECTS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 18-08 and S.B. No. 1035, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1035, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MAKAHIKI DAY COMMEMORATION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 21-08 and S.B. No. 1337, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1337, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTEMPT OF COURT," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 22-08 and S.B. No. 1961, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1961, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BAIL," passed Final

Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 25-08 and S.B. No. 1891, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1891, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 27-08 and S.B. No. 2456, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2456, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Karamatsu submitted remarks in support of the measure as follows:

"I rise in support.

"Since the 2005 Legislative Session, I have been working to create a new law to discourage impersonation. The reasoning is that people are being harassed by individuals impersonating them, especially on the Internet. It has already happened to a friend of mine. The act of harassing by impersonation can cause irreparable damage by ruining one's reputation, placing one in fear of one's safety, and inflicting emotional distress.

"Senate Bill 2456 is the companion to my House Bill 2319, which proposed to add computer communication as a form of nonconsensual contact in the offense of harassment by stalking. However, Senate Bill 2456, Senate Draft 2, House Draft 1 was amended by the House Judiciary Committee to include the policy goal of discouraging impersonation, which is from another bill of mine, House Bill 2320.

"This measure would create a new section in the Hawai'i Revised Statutes to include "harassment by impersonation." Under this definition, "A person commits the offense of harassment by impersonation if that person poses as another person, without the express authorization of that person, and makes or causes to be made, either directly or indirectly, a transmission of any personal information of the person to another by any oral statement, any written statement, or any statement conveyed by any electronic means, with the intent to harass, annoy, or alarm any person." Harassment by impersonation would be a misdemeanor.

"Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2456, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HARASSMENT," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 28-08 and S.B. No. 2449, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2449, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 29-08 and S.B. No. 3051, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3051, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana submitted remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I stand in support.

"This measure is a common sense approach to ensuring the safety and welfare of those most vulnerable. We need to make sure that those seeking help out of a dangerous situation are not being taken advantaged of by individuals who may be a 'wolf in sheep's clothing'. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3051, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY BACKGROUND CHECKS FOR SOCIAL SERVICES PROGRAMS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 31-08 and S.B. No. 2080, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2080, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TEACHER LICENSURE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 32-08 and S.B. No. 2785, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2785, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISTRICT COURT JURISDICTION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 36-08 and S.B. No. 1802, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1802, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 37-08 and S.B. No. 2396, SD 1, HD 3, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2396, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 38-08 and S.B. No. 2212, SD 1, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2212, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 39-08 and S.B. No. 2867, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2867, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC PROCUREMENT CODE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 40-08 and S.B. No. 3001, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 3001, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENERGY EFFICIENCY," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 42-08 and S.B. No. 1487, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1487, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTROLLED SUBSTANCES," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 44-08 and S.B. No. 2157, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2157, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Lee submitted remarks in support of the measure as follows:

"Mr. Speaker, I rise in support of this measure Relating to Health – Controlled Substances and Pain Patient's Bill of Rights.

"The purpose of this bill is to ensure treatment for patients living with pain from a disease, chronic condition or terminal illness. The Patient's Bill of Rights has been amended to clarify that pain patients have a right to obtain a prescription for controlled substances to relieve pain. This bill will help to provide relief to pain patients so that they can lead normal lives to the greatest extent possible, by providing them with access to prescription medication.

Specifically, this bill will:

- (1) Clarify the provisions for prescribing opiate medication for pain treatment; and
- (2) Extend the length of time for a schedule II controlled substance prescription to be filled from three to seven days after the prescription is issued to the patient.

"An extension of the prescription medication will assist patients who may not have the means to visit a pharmacy within three days of their prescription date.

"This measure also provides that patients suffering severe acute or chronic pain shall be entitled to receive a prescription of opiate medication, if requested by the patient; providing the patient is not addicted to the opiate and the opiate is appropriate for treatment.

"I strongly support passage of this bill because it will improve the quality of life for patients who are suffering with their illness. I believe that being comfortable and managing pain is of utmost importance to all of us who will someday find ourselves facing the end of our own lives.

"I urge the Members to support this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2157, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 48-08 and S.B. No. 2827, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2827, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC CONTRACTS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 56-08 and H.B. No. 3126, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 3126, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana submitted remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I stand in support.

"Our agriculture industry in Hawaii is in desperate need of support. This bill rises to the occasion of helping farmers on Hawaiian Homelands by increasing the ceiling from \$50,000 to \$200,000. I hope this measure will encourage this sector of the agriculture industry to take advantage of this initiative as the results will not only help lessees, but our State in moving closer to a sustainable Hawaii. 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. 3126, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAIIAN HOMES COMMISSION ACT," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 59-08 and H.B. No. 2953, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2953, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOTOR VEHICLES," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 61-08 and H.B. No. 1356, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 1356, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana submitted remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I rise in support.

"With this measure, former foster youth will no longer be left to fend for themselves at the age of 18. Now that the age limits have increased, support will be available up until the age of 26. Former foster youth who did not have this support provided testimony in strong support during our House Finance Committee hearings. Many want to continue on to higher education, but are limited because of a lack of a family structure, of which many young adults depend, and a lack of financial resources. This is a good bill, Mr. Speaker. This bill makes sure that youth who may not have the means to fulfill their dreams of a college degree will not get left behind. 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. 1356, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION BOARD ALLOWANCE FOR FORMER FOSTER YOUTH," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 63-08 and H.B. No. 523, HD 2, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 523, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 64-08 and H.B. No. 2139, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2139, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana submitted remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I stand in support.

"This bill will give the gift of life for many who patiently wait on a long waiting list. In most cases, this gift comes under unfortunate circumstances. Last year, a young man from the mainland was killed in my district. It was an extremely sad event. However, the family of this young man donated their son's organs so that others may be able to live or live a better life. I commend those individuals who have decided to take this step of becoming an organ donor and I commend those family members who are left without a loved one, yet realize that those who were lost will live on through such donations. Thank you, Mr. Speaker."

Representative Magaoay submitted remarks in support of the measure as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of HB 2139, HD2, SD1, CD1. Mr. Speaker, every hour another person dies waiting for an organ transplant. Despite significant technological improvements and numerous publicity campaigns

over the past several decades, the substantial shortage for organs, tissues and eyes for life-saving or life-improving transplants continues. This shortage persists despite efforts by the federal government and every state legislature to improve the system. The Uniform Law Commission (ULC) continues to be a leader in developing the law in the organ transplant arena, and it has promulgated the Uniform Anatomical Gift Act (UAGA) in 2006.

"The original Uniform Anatomical Gift Act was promulgated in 1968, shortly after Dr. Christian Barnard's successful transplant of a heart in November 1967. It was promptly and uniformly enacted in every jurisdiction. The 1968 UAGA created the power, not yet recognized at common law, to donate organs, eyes and tissue, in an immediate gift to a known donee or to any donee that might need an organ to survive. In 1987, the Uniform Law Commission revised the 1968 UAGA to address changes in circumstances and in practice. Only 26 states enacted the 1987 UAGA, resulting in non-uniformity between those states and the states that retained the 1968 version. Subsequent changes in each state over the years have resulted in even less uniformity. In addition, neither the 1968 nor the 1987 UAGA recognizes the system of organ procurement that has developed partly under federal law. The 2006 UAGA is an effort to resolve any perceived inconsistencies thereby adding to the efficiency of the current system.

"The scope of the 2006 UAGA is limited to donations from deceased donors as a result of gifts made before or after their deaths. Organ donation is purely a voluntary decision that must be clearly conveyed before an individual's organs are available for transplant. The current mechanism for donating organs is a document of gift that an individual executes before death. The 2006 Act further simplifies the document of gift and accommodates the forms commonly found on the backs of driver's licenses in the United States. It also strengthens the power of an individual not to donate his or her parts by permitting the individual to sign a refusal that also bars others from making a gift of the individual's parts after the individual's death.

"Importantly, the 2006 UAGA strengthens prior language barring others from attempting to override an individual's decision to make or refuse to make an anatomical gift. If an individual does not prepare a document of gift, organs may still be donated by those close to the individual. Another achievement of the 2006 UAGA is that it allows certain individuals to make an anatomical gift for another individual during that individual's lifetime. Healthcare agents under a healthcare power of attorney and, under certain circumstances, parents or a guardian, have this power. The donor must be incapacitated and the permission giver has to be the individual in charge of making healthcare decisions during the donor's life.

"Second, the 2006 UAGA adds several new classes of persons to the list of those who may make an anatomical gift for another individual after that individual's death. The adoption of clear rules and procedures, combined with the definition of "reasonably available," provide clarity to the decision-making process. If more than one member of a class is reasonably available, the donation is made only if a majority of members support the donation. Minors, if eligible under other law to apply for a driver's license, are empowered to be a donor. These seemingly minor changes will provide more opportunities for donation than currently exist today.

"The 2006 UAGA encourages and establishes standards for donor registries and better enables procurement organizations to gain access to documents of gifts in donor registries, medical records, and records of a state motor vehicle department. This access will make it much easier for procurement organizations to quickly determine whether an individual is a donor. And, under Section 8 of the 2006 UAGA, which strengthens the language regarding the finality of a donor's anatomical gift, there is no reason to seek consent from the donor's family because the family has no legal right to revoke the gift. The practice of procurement organizations seeking affirmation even when the donor has clearly

made a gift results in unnecessary delays in procuring organs and the occasional reversal of the donor's wishes. One exception is if the donor is a minor and the parents wish to revoke the gift. The 2006 UAGA acknowledges that the decision to donate organs, tissues and eyes is highly personal and deserves respect from the law.

"The tension between a healthcare directive requesting the withholding or withdrawal of life support systems and a donor's wish to make an anatomical gift is resolved by permitting, prior to the removal of life-support systems, the administration of measures necessary to ensure the medical suitability of the donor's organs. The 2006 UAGA provides that a general direction in a power of attorney or healthcare directive that the patient does not wish to have life prolonged by the administration of life-support systems should not be construed as a refusal to donate. The 2006 UAGA provides numerous default rules for interpreting a document of gift if it lacks specificity regarding the persons to receive the gift or the purposes of the gift. One important rule, not present in the prior acts, is the prioritization of transplantation or therapy over research or education, when a document of gift sets forth all four purposes, but fails to establish a priority.

"Another improvement that the 2006 UAGA achieves is the clarification and expansion of rules relating to cooperation and coordination between procurement organizations on the one hand and coroners and medical examiners on the other. Unlike prior law, the 2006 UAGA prohibits coroners and medical examiners from making anatomical gifts except in the rare instance when the coroner or medical examiner is the person with the authority to dispose of the decedent's body. The 2006 UAGA complies with the policy guidelines articulated by the National Association of Medical Examiners it also addresses widely reported abuses involving the intentional falsification of a document of a gift or refusal, to obtain a financial gain by selling a decedent's parts to a research institution. A person who falsifies a document of a gift for such a purpose is guilty of a felony.

"Mr. Speaker, the anatomical gift law of the states is no longer uniform, and diversity of law is an impediment to transplantation. Harmonious law through every state's enactment of the 2006 Uniform Anatomical Gift Act will help save and improve lives. It should be enacted in every state as quickly as possible. 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. 2139, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANATOMICAL GIFTS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 65-08 and H.B. No. 2255, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2255, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LIFE INSURANCE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 67-08 and H.B. No. 2245, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2245, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted remarks in support of the measure as follows:

"Thank you, Mr. Speaker. I rise in support of HB 2245, HD1, SD2, CD1. Mr. Speaker, this bill amends section 304A-2251 of the Hawaii Revised Statutes by reinstating language authorizing the transfer of all University funds, with the exception of general funds, into the University of Hawaii Commercial Enterprise Revolving Fund to finance the establishment of new enterprises. Act 75, Session Laws of Hawaii, 2006, approved May 2, 2006, authorizes the use of all University funds, except general funds, to be used to finance the establishment of new enterprises. This provision sunsets in 2004 and has limited the University's ability to take advantage of opportunities to establish or participate in commercial activities. Revenues derived from commercial enterprises are used for the general benefit of the University of Hawaii. An example of a successful commercial enterprise is the Rainbowtique outlet at Victoria Ward Center.

"Mr. Speaker, passage of this bill would give the University the ability to reduce its reliance on State funding sources. Passage of this measure will allow the University to provide start-up funding for new commercial enterprises with the goal of generating additional revenue for the common benefit of the University. 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. 2245, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 68-08 and H.B. No. 1365, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1365, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE OF HAWAII DEFERRED COMPENSATION PLANS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 69-08 and H.B. No. 660, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 660, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JURISDICTION OF THE CIRCUIT COURTS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 70-08 and H.B. No. 2697, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2697, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE INTERMEDIATE APPELLATE COURT," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 73-08 and H.B. No. 2550, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2550, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC UTILITIES," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 77-08 and H.B. No. 2920, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2920, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FRAUD PREVENTION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 78-08 and H.B. No. 1153, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 1153, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRECURSORS TO THE MANUFACTURE OF CONTROLLED SUBSTANCES," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Bertram voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 81-08 and H.B. No. 3383, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3383, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HAWAII PENAL CODE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 83-08 and H.B. No. 2977, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2977, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INVASIVE SPECIES," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 88-08 and H.B. No. 2772, HD 3, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2772, HD 3, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Awana submitted remarks in support of the measure as follows:

"Mr. Speaker, I stand in support.

"Human trafficking continues to be a major problem in the United States. Although we have seen a few cases in Hawaii, this measure helps to address this issue before it becomes out of control. In hopes that this measure passes, I look forward to the report by the Hawaii anti-trafficking taskforce. Thank you, Mr. Speaker."

Representative Lee submitted remarks in support of the measure as follows:

"Mr. Speaker, I rise in support of this measure.

"In 2006, the Legislature established the Hawaii Anti-Trafficking Task force to investigate ways to combat human trafficking, to prepare a social service needs assessment of human trafficking victims, to collect data, to draft legislation to reduce human trafficking and to look at the social service needs of human trafficking victims.

"The Task Force has promoted a positive and productive effort by the diverse interests concerned about this issue in resolving the personal and social devastation created by this insidious offense. Although the Task Force has made significant progress towards achieving its legislative mandate, the sunset date for the Task Force should be extended to allow the Task Force to further address this complicated issue.

"The Task Force plays a vitally important role in addressing human trafficking, a serious and escalating crime that tramples on human rights in Hawaii and throughout the world. It is becoming more apparent each day that this is a global issue. It is vital that we recognize the need for Hawaii to be in the forefront of combating human trafficking in all its forms.

"Passage of this bill allows the Task Force to continue its work and modifies its membership to include new members who will provide valuable assistance in the critical task of crafting legislation that is necessary to further address the needs of the victims of human trafficking.

"I urge my colleague's support of 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. 2772, HD 3, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 91-08 and H.B. No. 2372, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2372, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TIME SHARE PLANS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 95-08 and H.B. No. 3331, HD 2, SD 2, CD 2:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3331, HD 2, SD 2, CD 2, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 96-08 and H.B. No. 2519, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2519, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of HB 2519, HD2, SD2, CD1. Mr. Speaker, the measure we have before us addresses a program that encourages physicians and dentists to practice in shortage areas. In recent weeks the media have featured a number of articles highlighting the complex and multi-faceted crisis that is plaguing Hawaii's healthcare system. Payments for healthcare from Medicare, Medicaid, and private insurance are too low. Medical malpractice insurance premiums are too high. Some physicians have already left Hawaii to practice on the mainland where financial conditions are more viable. Kahuku Hospital was on the verge of bankruptcy a year ago and about to close its doors

before it was acquired by the Hawaii Health Systems Corporation (HHSC). Meanwhile, HHSC is requesting emergency funding during the current session in order to pay its suppliers. This bill addresses one aspect of Hawaii's healthcare crisis.

"Many rural areas of our State are especially impacted because of a dispersed population. Urban areas, with their population density, provide a much greater potential to attract patients. Physicians are especially affected because of the high cost of medical malpractice insurance. Dentists are also in short supply in many rural areas.

"Mr. Speaker, this measure creates an innovative program that encourages physicians and dentists to serve in medically underserved areas. It creates a loan forgiveness program for medical students that provide incentives to practice in medically underserved areas after graduation. The program also provides stipends to physicians and dentists who provide at least 50% of their services in shortage areas or at least 10% of their services to uninsured patients. Thank you Mr. Speaker, I strongly support the passage of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2519, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 97-08 and H.B. No. 2727, HD 2, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2727, HD 2, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Magaoay submitted written remarks in support of the measure as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of House Bill 2727, HD 2, SD 2, CD1. Mr. Speaker, autism is a complex neurobiological disorder that currently affects 1 in 150 children, according to the Center for Disease Control. This disorder affects boys four times more likely than girls. Autism impairs a person's ability to communicate and relate to others, and is often associated with repetitive behaviors, poor eye contact, and rigidity in routines. Children with autism often have co-occurring conditions, such as behavioral problems, speech disorders, depression, anxiety, muscle or joint problems, ear infections, vision and hearing problems, and allergies. The wide range of co-occurring problems leads to their need for services from trained medical professionals and for a full-range of therapies. The therapies include speech therapy, occupational therapy, and intensive behavioral therapy, such as Applied Behavior Analysis, among others. With proper medical intervention and intensive therapies, children with autism can improve to such an extent that they can enter mainstream classrooms unassisted.

"Unfortunately Mr. Speaker, children with autism are often denied coverage for necessary therapies by private health insurance companies. One important therapy denied by insurers is Applied Behavior Analysis (ABA). ABA has a decade-long period of efficacy. It is a data-based intervention for autism that has over forty years of research behind it. In a 1987 study by Ivar Lovass, the children who underwent early intensive ABA therapy achieved higher educational placement and increased IQ levels than those who did not. ABA is recognized by The U.S. Surgeon General's 2001 Report on Mental Health as the treatment that is widely accepted as being effective for autism, and the National Institute of Child Health and Human Development acknowledges that ABA is an effective treatment for autism. Although ABA is the single intervention most often sought by parents of children with autism,

insurers frequently deny it as a benefit. As a result, families are often forced to pay for these costly services out of pocket.

"Too many families of children with autism are deeply in debt as a result of the lack of insurance coverage for these necessary therapies. However, the cost of paying for the therapies, out of pocket, not only causes financial strain for the families, but it also causes heavy emotional distress. For many of these families, the stress is more than they can bear and many of the marriages end in divorce.

"Mr. Speaker, we cannot put a price tag on a child's future, but if more therapies and treatments were covered by insurance companies, more autistic children in Hawaii would be improving at much faster rates. Mr. Speaker, I urge everyone in this Chamber to pass this measure because the children with autism in Hawaii deserve to have the opportunity to thrive. 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. 2727, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 98-08 and H.B. No. 3175, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3175, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL MARINE FISHING REPORTS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 100-08 and H.B. No. 3174, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3174, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL FISHERIES REGULATIONS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 102-08 and S.B. No. 2840, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2840, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SELF-SUFFICIENCY," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 105-08 and S.B. No. 2055, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2055, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 106-08 and S.B. No. 3227, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3227, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Manahan submitted remarks in opposition to the measure as follows:

"There is no doubt that the modernization of our harbors needs to be a priority, and I support this. However I must oppose SB 3227 CD1 in its current form for the following reasons:

"It's been well documented, in a 1987 State audit of Aloha Tower Development Corporation (ATDC) and in news articles, that ATDC has not been effective in accomplishing its mission to revitalize the downtown waterfront area. In its twenty-seven year history, ATDC has only entered into three development agreements, all of which have culminated in lawsuits that have, at best, stalled development plans for the area.

"To quote the 1987 auditor's report: "The Aloha Tower redevelopment project is a concept that is flawed, and it should be shelved." It cites numerous systemic problems and erroneous assumptions.

"Part of the difficulty, according to the March 9, 2008 *Honolulu Advertiser*, and I quote, "...is rooted in ATDC's seven-member board representing the Mayor and heads of the state Department of Transportation, state Board of Land and Natural Resources, and the state Department of Business Economic Development and Tourism. Three private-sector members also serve on the board." In this bill, the ATDC Board's composition remains unchanged.

"In addition, this proposal adds a second entity, the harbors modernization group, within DOT. As it is ATDC is already \$7.7 million dollars in debt to the DOT for past failed negotiations. How would the structure created by this legislation make things any better?

"More importantly, in order for any decision to be made with regards to validating any planning, design, and/or construction, a quorum of both entities are needed. For the seven-member ATDC Board, four members constitute a quorum. For the six-member harbor modernization group, also four of the six members shall constitute a quorum. This is an even number of voting members. Should there be an impasse, whose vote would be the deciding factor? Assuming it is the chairperson of both Boards, which is also a provision in SB 3227 CD1, this would give said person access and the authority to control a sub-account within the DOT for this project, containing \$850 million of tax payer money. That's way too much power for one person to have in my opinion.

"Even with a majority of the quorum's vote, given the composition of this 'super board' whose majority overwhelmingly represents Oahu, there are no assurances that the Neighbor Islands' needs would be properly addressed.

"The ATDC Board, as a single entity, struggled with Aloha Tower. Why would two boards with a single chairperson change that? I would also add that ATDC reports no loss in revenues despite the fact that they are in debt, not to mention facing litigation of untold amounts. In fact, at this very moment, ATDC only exists for these lawsuits—they have no projects.

"There is no doubt that harbors modernization should be a priority of the State. However, given a pending audit of ATDC, I would rather wait for the recommendations set forth by the State auditor and incorporate those into legislation that would properly address the issue of harbor modernization."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3227, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HARBORS," passed Final Reading by a vote of 48 ayes to 2 noes,

with Representatives Manahan and Takai voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 108-08 and S.B. No. 2293, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2293, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 109-08 and S.B. No. 2961, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2961, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 111-08 and S.B. No. 2668, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2668, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 113-08 and S.B. No. 3076, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3076, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Cabanilla submitted remarks in opposition to the measure as follows:

"I rise in opposition to Senate Bill 3076. The State of Hawaii has the second largest government per capita in the entire nation. It is my belief that adding eight more epidemiologist positions would be a greater tax burden to our citizens. The Department just needs to be more efficient with their current resources. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3076, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EPIDEMIOLOGISTS," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Cabanilla voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 118-08 and S.B. No. 3102, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 3102, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LAND CONSERVATION FUND," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 121-08 and S.B. No. 2004, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2004, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 128-08 and H.B. No. 94, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 94, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 131-08 and H.B. No. 3386, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3386, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ATTORNEYS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 133-08 and H.B. No. 2763, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2763, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CHILDREN OF INCARCERATED PARENTS TASK FORCE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 134-08 and H.B. No. 2781, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2781, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SMALL BUSINESS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 136-08 and H.B. No. 2700, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2700, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 137-08 and H.B. No. 118, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 118, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final

Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 151-08 and S.B. No. 2803, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2803, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Karamatsu submitted remarks in support of the measure as follows:

"I rise in support.

"The purpose of this bill is to protect the personal information collected and maintained by State and county agencies through the implementation of the recommendations of the "Hawaii Identity Theft Task Force Report" of December 2007. I served on the taskforce, and through this bill we hope to reduce identity theft of personal information held by the State and county agencies. The bill:

- (1) Requires each state and county agency designate an employee by September 1, 2009, to ensure the agency's compliance with requirements relating to the security of personal information;
- (2) Establishes the Information and Privacy Security Council to be placed administratively within the Department of Accounting and General Services and authorizes the Comptroller to establish support positions. By January 1, 2009, the council shall submit to the Legislature a report of the council's assessment and recommendations on initiatives to mitigate the negative impacts of identity theft incidents on individuals. No later than June 30, 2009, the council shall develop guidelines to be considered by government agencies in deciding whether, how, and when a government agency shall inform affected individuals of the loss, disclosure, or security breach of personal information that can contribute to identify theft. The council shall review the individual annual reports submitted by government agencies, pursuant to section 487N-C, Hawaii Revised Statutes and submit a summary report to the Legislature no later than twenty days prior to the convening of the regular session of 2010 and each year thereafter. The summary report shall include the council's findings, significant trends, and recommendations to protect personal information used by government agencies. The initial report to the Legislature also shall include proposed legislation to amend section 487N-2, Hawaii revised Statutes or any other law that the council deems necessary to conform to the guidelines established. No later than March 31, 2009, the council shall identify best practice relating to automated tools, training, processes, and applicable standards. No later than July 31, 2009, the best practice identified by the council shall be posted on each government agency's website in a manner that is readily accessible by employees of the government agency;
- (3) Makes effective January 1, 2009, any government agency that maintains one or more personal information systems shall submit to the council an annual report on the existence and character of each personal information system added or eliminated since the agency's previous annual report. The annual report shall be submitted no later than September 30 of each year;
- (4) Requires that by December 31, 2008, the information privacy and security council established under section 487N-A, Hawaii Revised Statutes, in consultation with the information and communication services division of the

Department of Accounting and General Services, and the information technology divisions of the respective counties, shall develop recommended practices and procedures to provide guidance to information technology managers in all government agencies relating to the security of laptops, removable data storage devices, and communication devices used to remotely access applications installed on state or county networks. The council shall include recommendations on best practices and standards for protecting personal information that may be used with, stored on, or transmitted by the foregoing devices;

- (5) Makes effective September 1, 2008, any government agency that contracts with third parties to provide support services on behalf of the agency that requires access to personal information; or is requested to provide access to social security numbers and other personal information by a credit bureau or similar financial reporting organization, shall include, in all new or renewed contracts, provisions to protect the use and disclosure of personal information administered by the agency;
- (6) Mandates that no later than September 1, 2008, all government agencies that collect, maintain, or disseminate documents containing personal information that are subject to disclosure pursuant to section 92F-12, Hawaii Revised Statutes, shall develop and implement a plan to protect and redact personal information, specifically social security numbers, contained in any existing hardcopy documents prior to making the documents available for public inspection. Consumer reporting agencies, as defined by 15 U.S.C. section 1681a(f), which operate under 15 U.S.C. section 1681 et seq., shall continue to have access to personal information, including the nine digit social security numbers as the legislature finds that such access is necessary for criminal background checks, credit reporting for financial transactions and other similar purposes. Agency plans shall be consistent with these purposes;
- (7) Requires that no later than December 1, 2008, all government agencies that collect, maintain, or disseminate documents containing personal information that are subject to disclosure pursuant to section 92F-12, Hawaii Revised Statutes, shall develop a written plan to eliminate the unnecessary collection and use of social security numbers;
- (8) Establishes that no later than January 1, 2010, the lead state and county government agencies that have primary responsibility for human resource functions shall develop and distribute to the appropriate government agencies written guidelines detailing recommended practices to minimize unauthorized access to personal information and personal information systems relating to personnel recruitment, background checks, testing, employee retirement and health benefits, time reporting and payroll issues;
- (9) Mandates that no later than September 1, 2009, all government agencies shall develop a written agency policy relating to notification of any security breach of personal information; and
- (10) Establishes no later than July 1, 2008, within the office of the auditor, the identity theft task force working group, to provide continuity from the work of the identity theft task force, established pursuant to Act 65, Session Laws of Hawaii 2005, as amended by Act 140, Session Laws of Hawaii 2006; and assist in the transition and development of recommendations and best practices related to personal information. The working group shall include five members of the identity theft task force, the auditor, and the consultant retained by the auditor for the work of the

identity theft task force. The identity theft task force working group shall cease to exist on June 30, 2009.

"Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2803, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 153-08 and S.B. No. 988, SD 2, HD 3, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 988, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHOTOVOLTAIC ENERGY," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 154-08 and S.B. No. 2150, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2150, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ADULT PROTECTION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 156-08 and S.B. No. 3255, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 3255, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG TERM CARE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 157-08 and S.B. No. 69, SD 2, HD 3, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 69, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 159-08 and S.B. No. 2542, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2542, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 160-08 and S.B. No. 2459, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2459, SD 2, HD 1, CD 1, entitled: "A

BILL FOR AN ACT RELATING TO REMOTE DISPENSING," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 161-08 and S.B. No. 3069, SD 2, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 3069, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECORDS OF DEFENDANTS COMMITTED TO A HOSPITAL CONTROLLED BY THE DIRECTOR OF HEALTH OR TO CUSTODY OF DIRECTOR OF HEALTH," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 162-08 and S.B. No. 3171, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 3171, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHARITABLE TRUSTS AND NONPROFIT ORGANIZATIONS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

At 1:19 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2838, SD 2, HD 1, CD 1
 S.B. No. 2054, SD 2, HD 2, CD 1
 S.B. No. 3087, SD 1, HD 1, CD 1
 S.B. No. 1035, SD 1, HD 1, CD 1
 S.B. No. 1337, HD 1, CD 1
 S.B. No. 1961, SD 1, HD 1, CD 1
 S.B. No. 1891, SD 1, HD 1, CD 1
 S.B. No. 2456, SD 2, HD 1, CD 1
 S.B. No. 2449, SD 2, HD 2, CD 1
 S.B. No. 3051, SD 2, HD 1, CD 1
 S.B. No. 2080, SD 2, HD 2, CD 1
 S.B. No. 2785, SD 1, HD 1, CD 1
 S.B. No. 1802, HD 1, CD 1
 S.B. No. 2396, SD 1, HD 3, CD 1
 S.B. No. 2212, SD 1, HD 2, CD 1
 S.B. No. 2867, SD 2, HD 2, CD 1
 S.B. No. 3001, SD 2, HD 2, CD 1
 S.B. No. 1487, SD 2, HD 2, CD 1
 S.B. No. 2157, SD 1, HD 2, CD 1
 S.B. No. 2827, SD 1, HD 1, CD 1
 H.B. No. 3126, SD 2, CD 1
 H.B. No. 2953, SD 1, CD 1
 H.B. No. 1356, HD 2, SD 2, CD 1
 H.B. No. 523, HD 2, SD 1, CD 1
 H.B. No. 2139, HD 2, SD 1, CD 1
 H.B. No. 2255, HD 2, SD 2, CD 1
 H.B. No. 2245, HD 1, SD 2, CD 1
 H.B. No. 1365, SD 2, CD 1
 H.B. No. 660, SD 1, CD 1
 H.B. No. 2697, HD 1, SD 1, CD 1
 H.B. No. 2550, HD 2, SD 2, CD 1
 H.B. No. 2920, SD 1, CD 1
 H.B. No. 1153, SD 1, CD 1
 H.B. No. 3383, SD 1, CD 1
 H.B. No. 2977, HD 1, SD 1, CD 1
 H.B. No. 2772, HD 3, SD 1, CD 1
 H.B. No. 2372, HD 2, SD 2, CD 1
 H.B. No. 3331, HD 2, SD 2, CD 2
 H.B. No. 2519, HD 2, SD 2, CD 1
 H.B. No. 2727, HD 2, SD 1, CD 1
 H.B. No. 3175, HD 1, SD 1, CD 1
 H.B. No. 3174, HD 1, SD 1, CD 1

S.B. No. 2840, SD 2, HD 1, CD 1
 S.B. No. 2055, SD 2, HD 2, CD 1
 S.B. No. 3227, SD 2, HD 1, CD 1
 S.B. No. 2293, SD 1, HD 1, CD 1
 S.B. No. 2961, SD 2, HD 2, CD 1
 S.B. No. 2668, SD 2, HD 1, CD 1
 S.B. No. 3076, HD 1, CD 1
 S.B. No. 3102, SD 2, HD 1, CD 1
 S.B. No. 2004, SD 2, HD 2, CD 1
 H.B. No. 94, HD 1, SD 2, CD 1
 H.B. No. 3386, HD 1, SD 2, CD 1
 H.B. No. 2763, HD 1, SD 1, CD 1
 H.B. No. 2781, HD 2, SD 2, CD 1
 H.B. No. 2700, HD 1, SD 2, CD 1
 H.B. No. 118, SD 1, CD 1
 S.B. No. 2803, SD 1, HD 1, CD 1
 S.B. No. 988, SD 2, HD 3, CD 1
 S.B. No. 2150, SD 2, HD 2, CD 1
 S.B. No. 3255, SD 2, HD 2, CD 1
 S.B. No. 69, SD 2, HD 3, CD 1
 S.B. No. 2542, SD 2, HD 2, CD 1
 S.B. No. 2459, SD 2, HD 1, CD 1
 S.B. No. 3069, SD 2, HD 1, CD 1
 S.B. No. 3171, SD 2, HD 2, CD 1

STANDING COMMITTEE REPORT

Representative M. Oshiro, for the Committee on Finance presented a report (Stand. Com. Rep. No. 1961-08) recommending that S.B. No. 2482, SD 2, pass Third Reading.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2482, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII INSTITUTE OF MARINE BIOLOGY," passed Third Reading by a vote of 50 ayes, with Representative Nakasone being excused.

At 1:19 o'clock p.m., the Chair noted that S.B. No. 2482, SD 2, passed Third Reading.

THIRD READING

S.B. No. 788, SD 2:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, S.B. No. 788, SD 2, entitled: "A BILL FOR AN ACT RELATING TO DISASTER RELIEF," passed Third Reading by a vote of 50 ayes, with Representative Nakasone being excused.

At 1:19 o'clock p.m., the Chair noted that S.B. No. 788, SD 2, passed Third Reading.

At this time, the Chair stated:

"Members, please remember to let the Clerk know which House bills or Senate bills on the Consent Calendar you will be submitting comments on for the Journal. This must be done before the adjournment of today's Floor session."

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 11-08 and S.B. No. 2434, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2434, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I will be voting in opposition. This changes the Stadium Authority Board and their appointing powers. I think this is a mean-spirited bill and it brings out the worst in political power plays. It is what disenchant residents from having trust in our government. Rather than spending our time crafting quality legislation that would benefit the State, we instead see worthy bills die as petty bills such as this one, move on.

"The bill strips the Governor of the right to appoint candidates into appointed positions. The Legislature already plays the role in deciding who gets appointed and it's called Senate confirmation. Taking away the Governor's ability to fully choose from a pool of any interested and all qualified applicants, and interjecting the Legislature in the process instead will create a legislative influence slew on State boards and commissions. This bill doesn't even try to hide the fact it is to take away power from the Governor. Just look at the proposed appointment cycle as established in this bill.

"As currently drafted, the Governor will not have an opportunity to appoint another candidate to the Aloha Stadium Authority until 2010, her last year in office. One house will select the first, third, and fifth member. The second house will pick the second, fourth, and sixth members. And the Governor will be able to appoint the seventh and eighth and ninth, but I doubt if it will get that far. This bill is politics at its worst and I simply cannot support it. It is the worst infusion of legislative interference that I have seen in my many years here at the Legislature, and I'm surprised that you want to be a part of it. I urge all of you to vote no."

Representative Finnegan rose in opposition to the measure and asked that the remarks of Representative Marumoto 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 S.B. No. 2434, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STADIUM AUTHORITY," passed Final Reading by a vote of 43 ayes to 7 noes, with Representatives Ching, Finnegan, Marumoto, Meyer, Pine, Thielen and Ward voting no, with Representative Nakasone being excused.

Conf. Com. Rep. No. 12-08 and S.B. No. 3166, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 3166, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII COMMUNITY DEVELOPMENT AUTHORITY," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 14-08 and S.B. No. 2196, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2196, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising in opposition to this measure. This is the bill that regulates commercially permitted use of the governmental and private boating facilities, and authorizes DLNR to regulate those commercial enterprises that operate out of private marinas.

"Currently the statute already authorizes DLNR to regulate commercial activities taking place in State waters which makes the revisions to the existing statute in this bill somewhat unnecessary. DLNR has established ten Ocean Recreation Management Areas around the State for the purpose of reducing user conflicts, both recreationally and commercially. This allows DLNR to regulate various activities on a case by case basis, and allows the Department the ability to amend Ocean Recreation Management Areas by Administrative Rule. Requiring DLNR to regulate commercial activities originating on private property will be very burdensome and difficult to enforce. DLNR will need another division to monitor all of its harbors, as well as private marinas, creating another layer of unneeded, tedious regulations. For these reasons, I'm opposing this measure. Thank you."

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

"Mr. Speaker, in support. This measure is really needed. What we've seen on the Leeward Coast is that we have a lot of private harbors coming up like at Ko'Oolina and Crosspointe, etc., and the boaters that are coming out of those harbors aren't following the gentlemen's agreement that has been enforced for years among the other commercial boaters that are there; the fishermen, the surfers, everyone. And that's the reason that we had the baseline study that we passed last Session, and we're still working on this year.

"So there really is hope that we can have a uniform set of agreements between all the ocean users to make sure that we eliminate the conflicts that are happening now between the people, the dolphin tours, the whale watchers, the fishermen, etc. So this bill is a step towards that. Thank you."

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

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

"Thank you, Mr. Speaker. I just have some slight reservations. I understand the challenge and the solution that is needed by this bill for the Waianae Coast. My concern is just that we're asking DLNR to do quite a bit and there's no money in this bill. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2196, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COMMERCIAL ACTIVITIES ON OCEAN WATERS," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Marumoto and Meyer voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 16-08 and S.B. No. 2730, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2730, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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:

"This bill recognizes the importance of *hanai* families in the upbringing of children in Hawaii. Removing a child from the custody of a blood relative is a traumatic experience that can have long-lasting effects on the child. By allowing DHS to place children with a *hanai* relative, an adult other than a blood relative

who performs or has performed a substantial role in the upbringing of the child, the trauma can be greatly reduced.

"In addition, *hanai* relatives have a history with the family and can provide stability for the child. In the cases where the child must be, for whatever reason, separated from their blood relatives for a significant period of time, placing the child with a *hanai* relative will permit the child to maintain their familial connections in a safe and healthy environment.

"In the end, this bill strengthens the social and family safety net for children. It is often quoted that "it takes a village to raise a child." This bill demonstrates that Hawaii does not merely pay lip service to that ideal, but rather takes active steps to ensure that *hanai* relatives, the village the child belongs to, is given the opportunity to care for the child when the blood relatives are not able to."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2730, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD PROTECTION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 19-08 and S.B. No. 2849, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2849, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising to speak against this measure. The intent of the bill is very good; it is to permit the use of lands in agricultural land districts for agricultural energy facilities when the production, storage and distribution of renewable energy are integrated with the agricultural activity.

"My concern and my opposition are on two points. One is I don't support our enhancing a biofuel industry here because I believe our agricultural land should be used for food. I think you'll see the impact internationally from other countries which have gone and jumped on to the biofuels craze, the mainland U.S. as well, and what the impact is on the food source. Possibly the empty shelves at Costco where rice has now been hoarded is one of the results of all of this disproportionate attention to biofuels.

"But the more troubling one is in section 3, paragraph 12, where new employee housing and agricultural buildings may be allowed on the land. My concern is if we are going to allow this housing, it could be a very slippery slope toward a housing development where the agricultural facility goes out of operation, such as like DelMonte did. Then you're left with the housing there and there's no limit on the specific number of houses that can be built. So I think there are two things in the bill that make me uncomfortable enough that I'm voting no. Thank you."

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, I rise in support of this measure. I would like to address some of the concerns and objections to this measure that were raised by the Representative from Kailua. First of all, some of the objections focused on the growing and processing of biofuels. The growing and processing of biofuels is an outright allowable use on agricultural lands. What this measure attempts to clarify is that a renewable project, such as a solar project, that is

integrated within an agricultural enterprise shall be an allowable use.

"The purpose section of this measure states that increased energy efficiency and use of renewable energy resources would increase Hawaii's energy self-sufficiency, achieving broad societal benefits, including increased energy security, resistance to increases in oil prices, environmental sustainability, economic development, and job creation.

"To shape Hawaii's energy and agricultural future and achieve the goal of energy and food self-sufficiency for the State, our efforts must continue on all fronts, integrating new and evolving technologies, seizing upon opportunities to become more economically diversified, and providing incentives and assistance to address barriers. It is crucial to address the negative impacts that rising and volatile petroleum prices have on fuel and fertilizer costs.

"The other objection that was raised is biofuel crops will compete with food crops. While this might be the case in some parts of the nation, this surely is not the case in Hawaii where thousands of acres of agricultural lands lie fallow at the present time. How we plan for our agricultural bio-energy future is an important strategy that must be carefully planned, therefore the bio-energy master plan initiated by the Legislature last year is a critical component to this discussion. One of the objectives of the master plan is to ensure that energy crops will not be pitted against food production as both energy and food self-sufficiency are equally important goals for Hawaii's residents.

"Finally, Mr. Speaker, the Representative from Kailua also had concerns regarding the language which allows for workers' housing on agricultural lands. This measure allows existing structures on plantation community subdivisions to be used or rehabilitated for employee rental housing at affordable rates for agricultural workers and agricultural support buildings for agricultural business operators and support services. Mr. Speaker, this measure is very restrictive limiting this kind of development, which is intended to support agriculture, to the existing footprint of these types of structures on land currently or formerly owned, leased or operated by a sugar or pineapple plantation. I do not believe you will find the types of abuses we have seen with "gentlemen" farms allowable under the restrictive language of this bill."

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

"Mr. Speaker, in support with very brief comments. Anyone who drives around any of our major islands will see that the vast majority of agricultural lands lie fallow after the closure of our plantations, whether they be sugar or pineapple. It's not growing anything, but developers are looking to grow houses on it. This is about trying to save our agricultural lands and do something productive with it. If the day comes where it's competing with food production, we can worry about that.

"As far as agricultural housing, anyone who lives on a Neighbor Island, maybe it's not a problem here, but go live on the Big Island and see how long it takes to get from one place to another. You want to live close to where you're working, and those in the fields. It's about helping those workers and not making them drive long distances and pay for gas that's going through the roof that we're trying to get ourselves from being dependent on. It's a good bill. I hope our Members will support it. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2849, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LANDS," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Thielen voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 20-08 and S.B. No. 2895, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2895, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you very much, Mr. Speaker. I'd like to speak in opposition to SB 2895, SD 1, HD 1, CD 1, Relating to Offenses Against Public Order. Mr. Speaker, this is a bill to add to the cruelty to animals in the first degree measure that we passed last year. This is a Class C felony. What we did last Session Mr. Speaker, was to eschew those pet lovers; people who have those cute, cuddly, little furry things that are domesticated animals that are considered pets, to ensure that if something happens, such as a person intentionally or knowingly tortures their pet, or mutilates or poisons their pet, that this particular person would be put away for five years.

"I disagreed with the five years last Session, although the reasoning is good. I think the reasoning is good, that we should protect pet animals. However the method in which we are doing it, we're protecting them I think, by putting an artificial definition on them, and then literally working to expand it as we go along. That is the wrong thing to do. One man's pet is another man's protein, and that is clear. It really depends who you are, and where you are in the social or economic ladder.

"A pet is a pet. It doesn't matter what it is. It could be any animal whatsoever. In my case, I have a pet rabbit, Pufi and he's not protected. I wish we could see that by this method, we are protecting pet animals by labeling the pets and putting definitions on them. That is wrong. What this bill is doing Members, is expanding on this particular statute now to add animals other than pets by newly defining an equine animal. So equine animals are now the same as pets. I disagree. Well, I cannot fully disagree, but the method by which we're doing it is wrong.

"Here what's happening. Equine animals are defined now as any animal belonging to the family *Equidae*. I guess that's French, or Latin, including horses, ponies, mules, donkeys, and I wouldn't even attempt to read this 'A' word, burros and zebras. Now does anybody have a pet zebra other than the beautiful family in Kona, Hawaii? They have a white zebra there, it's amazing. A pet is a pet – fine. But we are expanding on what we intended to do, which is to protect pets. Pets are dogs, cats, those kind of things. We removed rats last time, but there could be an argument that rats are pets. Ask Michael Jackson. He said rats like Ben are his pet."

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

Representative Sonson continued, stating:

"Thank you very much, Representative. So I think we need to reassess what we are doing. This bill right here makes a mockery of what we're trying to do which is to protect pets. Let's be clear about it. People who love their pets, and the reason why this Legislature should protect them, is because they treat these pets like brothers, sisters or little children, grandchildren. They really protect them as family, so I could see why people would support that, including mules, donkeys, asses, burros and zebras, which really complicate things. Therefore Mr. Speaker I urge you and Members of this body to rethink on what we're doing in protecting our pets, and let's see if we can do a better job at it. Please vote no on this measure. Thank you."

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

"Mr. Speaker, I also vote in opposition on this bill and I'm looking at it in a different way. We as a group of people here in the State of Hawaii are very diverse. We call ourselves dual citizens. We welcome all the citizens of the world to come and impact and integrate in our State, and we're very proud it.

"But on the same token, we don't all think alike. We have different value systems as we come in and over time we all change culturally in the same way sooner or later. But there are new immigrants that come to our State. They might look at what we call pets, like the Representative from Waipahu said, as a source of protein. And I think knowing that, that we should not be so cruel to those people who think otherwise by imposing this harsh criminal punishment on them.

"So I'm in support of protecting our pets, but I'm in opposition to this, and we should treat everyone alike. And if they don't think like us, we shouldn't put them to jail. That's what I'm opposing, Mr. Speaker."

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 this measure.

"The concern for the treatment of animals, including equine animals, is not new. As far back as 1822, the British Parliament passed a law known as "Dick Martin's Act - An Act to Prevent the Cruel and Improper Treatment of Cattle", with equine animals included in the definition of "cattle". At that time, horses were a means of transportation; they were necessary for farm work, and supported an agrarian society. Horses no longer serve that function, but are as much beloved by their owners as are cats and dogs—the mistreatment of which causes justifiable outrage in the community. The treatment of horses deserves no less concern. The addition of horses to the felony animal cruelty law reflects the belief that companion animals come in all shapes and sizes. And regardless of their breed, these animals hold a very special place in our hearts, our families and our community.

"One of the earliest proponents of animals rights, the 19th century philosopher, Jeremy Bentham, gave us food for thought when he argued that the ability to suffer, not the ability to reason, must be the benchmark of how we treat others beings, including animals. Bentham stated: "The question is not, can they reason? Nor, can they talk? But, can they suffer?"

"Passage of SB2895 will help to address needless suffering for equine animals. I urge my colleagues support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2895, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OFFENSES AGAINST PUBLIC ORDER," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Cabanilla and Sonson voting no, and with Representative Nakasone being excused.

At 1:35 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 1:36 o'clock p.m.

At 1:37 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2434, HD 1, CD 1
 S.B. No. 3166, HD 1, CD 1
 S.B. No. 2196, SD 2, HD 2, CD 1
 S.B. No. 2730, SD 2, HD 2, CD 1
 S.B. No. 2849, SD 1, HD 1, CD 1
 S.B. No. 2895, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 23-08 and S.B. No. 2644, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2644, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in opposition to S.B. 2644, SD 1, HD 1, CD 1, Relating to the State Historic Preservation Officer. Mr. Speaker, the U.S. Department of Interior does not have any professional requirements for the State Historic Preservation Officer or the Deputy State Historic Preservation Officer. This bill seeks to require that the State Historic Preservation Officer and its deputy be qualified historic preservation professionals with experience in historic preservation in Hawaii.

"With respect to the State Historic Preservation Officer these additional professional qualifications are unnecessary and unrelated to the State Historic Preservation Officer's duties which consist of supervising federal partnerships. New additional professional qualifications are necessary because the State Preservation Officer has extensive experience in overseeing federal partnerships in their capacity as Chair of DLNR. It simply does not make sense to impose additional and specific specialized knowledge requirements for this position.

"With respect to the Deputy State Historic Preservation Officer, because the Deputy oversees the actual preservation functions of this State Historic Preservation Office, it makes sense for the Deputy to have qualifications and experience in historic preservation. Because the Deputy may directly affect the actual preservation of historic properties, it is justifiable for the Deputy to have specialized knowledge beyond what is required by the Department of the Interior.

"Doing this also narrows the pool of applicants Mr. Speaker, and for that it's already a hard and difficult position to fill. For those reasons, I oppose this bill. Thank you."

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

"I would like to note my strong reservations."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2644, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE HISTORIC PRESERVATION OFFICER," passed Final Reading by a vote of 47 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representatives Nakasone and Sagum being excused.

Conf. Com. Rep. No. 24-08 and S.B. No. 2345, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2345, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I do support this bill with reservations. It's Conference Report No. 24-08, which is SB 2345, SD 1, HD 1, CD 1. This is about the children of incarcerated parents and the guiding principles. This bill actually is better than the bill that was before that had basically a Bill of Rights. The difficulty that I find in this bill is that it is the whole Bill of Rights, and some of the points in the measure are based upon the feelings of a child. And being that I have kids, and I'm the parent of these kids, sometimes the feelings of the child and basing guiding principles is a little difficult to really put your finger on. But I will support the bill because it seems to be at this point in time, a less potential for lawsuits being that it's no longer the Bill of Rights. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2345, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILDREN," passed Final Reading by a vote of 49 ayes, with Representatives Nakasone and Sagum being excused.

Conf. Com. Rep. No. 26-08 and S.B. No. 3061, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3061, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I rise in support of Conference Report No. 26-08. This is the second time that TANF has come to the Floor, but this is the good side of TANF. It's updating the name from Aid to Dependent Children, to Temporary Assistance to Needy Families. And in respect to Speaker Emeritus earlier, I think he will agree that with this and the other consideration of TANF, there are really or should never be, Republicans or Democrats or liberals or conservatives, but those people that want to do what is right for those who are the weakest among us. In particular, Republicans want to see that our people have developed their fullest God-given potential, no more or no less, and this bill gets to the direction of updating that. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3061, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE FIRST-TO-WORK PROGRAM," passed Final Reading by a vote of 49 ayes, with Representatives Nakasone and Sagum being excused.

Conf. Com. Rep. No. 30-08 and S.B. No. 2373, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2373, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Belatti's written remarks are as follows:

"I rise in opposition to Senate Bill 2373, Conference Draft 1. According to the Conference Committee report, "[t]his bill will curtail the purchase of pseudophedrine products for the manufacturing of methamphetamines, and assist law enforcement in their efforts in verifying and tracking pseudoephedrine sales."

"While I appreciate the need to be "tough on crime," I believe this bill travels down a dangerous road of: (1) criminalizing

behavior that is not criminal; and (2) eroding the privacy interests of individual citizens.

"The mere purchase of pseudoephedrine products is not a criminal act. Clandestine drug labs and the manufacturing of methamphetamine are criminal activities that are reprehensible, especially when one looks at the damage caused throughout the community because of drug addiction.

"However, we already have laws that assist us as a community to force drug houses, drug dealers, and drug manufacturers out of our neighborhoods. In 2003, the Legislature, in its wisdom, created the Drug Nuisance Abatement Unit to force drug manufacturers out of communities. This is the kind of policy and program we need to support, not the monitoring of purchases by innocent citizens.

"Moreover, businesses are already required to place pseudoephedrine products behind counters and under lock. These businesses must also, under current law, ask customers for a photo ID, address, and signature to deter large sales of these products. With Senate Bill 2373, customers now will be required to provide their birth date in addition to a photo ID, name, and address, and all of this information will be electronically shared with government agencies. To mandate the turning over of this personal information to law enforcement seems to be an unnecessary government invasion into the privacy interests of citizens. In light of the reasons set forth above, I am opposed to this bill."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, I stand in strong support of Conference Committee Report No. 30-08, Senate Bill 2373, SD 1, HD 1, CD 1. Mr. Speaker, in 2005 the Legislature enacted the Uniform Controlled Substances Act, which effectively limits the sale and purchase of non-prescription pseudoephedrine and pseudoephedrine-containing products. Pseudoephedrine is an ingredient of methamphetamine and can be dangerous when consumed in large doses. It is not only considered a precursor to turbulent methamphetamine use and subsequent addiction, but it is also used in the actual processing of the street drug itself.

"This body can attest to the devastating effects that meth has had on our families here in the State of Hawaii. Combating the production, sale and use of methamphetamine is a day-to-day battle. Fortunately we are winning the war. I applaud the Legislature for taking action by passing this crucial piece of Legislation. Since its inception, the Uniform Controlled Substances Act has aided in reducing the number of clandestine methamphetamine drug labs in the State from 17 in 2005, to merely 2 in 2007. The current law requires that all purchasers of pseudoephedrine show proper identification including addresses to be recorded into the pharmacy or retail stores log for further reference.

"In 2006 the Legislature approved Act 171 making it even more difficult for large quantities of methamphetamines to reach our streets. However the test of time has revealed a glitch in the current system. Senate Bill 2373 would effectively close a reporting loophole by further requiring pharmacies and retailers to maintain an electronic log of sales of pseudoephedrine and pseudoephedrine-related products, and transmit the information to the Department of Public Safety Narcotics Enforcement Division on a monthly basis. This would eliminate the purchasers from shopping around by purchasing the allotted amount at a different location in order to remain under the radar of drug enforcement. Accordingly, I stand in strong support of Senate Bill 2373, SD 1, HD 2, CD 1. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2373, SD 1,

HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PSEUDOEPHEDRINE SALES," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Belatti voting no, and with Representatives Nakasone and Sagum being excused.

Conf. Com. Rep. No. 33-08 and S.B. No. 3092, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3092, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising in support on this issue. The purpose of this measure is to prevent identity theft of individuals in the State by changing the requirement that a person's full social security number must appear on certain documents to be recorded. This measure prohibits judgments, orders and decrees that are recorded in the land court and at the Bureau of Conveyances from using full social security numbers, and instead requires the use of only the last four digits of the social security number to rightly identify the person against whom the judgment, order, or decree is rendered.

"This is a very good bill. This came out of the Identity Theft Task Force which I worked on for three years. However Mr. Speaker, I am disappointed that the acceptance of electronic filing or online filing with the registrar of the Bureau of Conveyances is not included in this measure. Allowing people to email documents to the Bureau for recordation eliminates scanning and data entry. This simple step would reduce the current four month recording process to less than one week. Mr. Speaker I strongly believe that we squandered the opportunity we had this Session to allow the people of this State to file electronically and online and have equal access to the Bureau of Conveyances; we should not have to wait for another year. Thank you Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3092, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SOCIAL SECURITY NUMBER," passed Final Reading by a vote of 49 ayes, with Representatives Nakasone and Sagum being excused.

Conf. Com. Rep. No. 35-08 and S.B. No. 2833, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2833, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative McKelvey 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 the report of the Committee was adopted and S.B. No. 2833, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUSTAINABILITY," passed Final Reading by a vote of 49 ayes, with Representatives Nakasone and Sagum being excused.

Representative Thielen rose, stating:

"Mr. Speaker, I believe that we skipped over Relating to Taro, Conference Committee Report No. 34-08."

The Chair responded, stating:

"That was an exception that will be taken up on Thursday due to the Floor Amendment we had earlier."

At 1:47 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2644, SD 1, HD 1, CD 1
 S.B. No. 2345, SD 1, HD 1, CD 1
 S.B. No. 3061, HD 1, CD 1
 S.B. No. 2373, SD 1, HD 2, CD 1
 S.B. No. 3092, SD 1, HD 1, CD 1
 S.B. No. 2833, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 41-08 and S.B. No. 2341, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2341, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 45-08 and S.B. No. 3203, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3203, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I would like a ruling on a potential conflict. I own five cats. Thank you," 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 S.B. No. 3203, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL HOARDING," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 46-08 and S.B. No. 2825, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2825, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in opposition of Conference Report No. 46-08. One problem that I have with this bill is in the wording which suggests that the State Procurement Office Administrator, who is only 1 of 20 Chief Procurement Officers in the State, is responsible for the making the final determination in all of the jurisdictions. This undermines the authority of the other Chief Procurement Officers, which also includes County Procurement Officers.

"Secondly, this bill will also exponentially increase the workload of the SPO Administrator by requiring him or her to ensure that each and every determination made by their office is in compliance within 30 days. If the other Procurement Officers are not in compliance, they will then be subjected to fines after the SPO Administrator provides them with reasonable notice and reasonable opportunity to be heard, consulting the using agency and Attorney General or Corporation Counsel as applicable, and render a written decision or issue a written order providing for the

assessment of an administrative fine against the person who violated this law.

"And to add fuel to the fire, we are not providing the State Procurement Office with any additional personnel or funding to assist them in this increased and onerous workload. These are simply unrealistic expectations that don't serve any tangible purpose and would lead to a decrease in government efficiency. I therefore have to stand in opposition and urge my colleagues to join me. Thank you."

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

"Thank you, Mr. Speaker. I'm rising in opposition to this same measure. This bill is one of four bills that were introduced by Senator Kim and pretty much on the heels of the Ted Liu saga, I guess. I believe that this bill will discourage dialogue that could improve applications of the Procurement Code. I also think this bill is anti-union, anti-HGEA. It will adversely impact civil servants. It mandates unnecessary and even unrealistic duties to the State Procurement Office Administrator and does not provide any funding or any increase in personnel.

"Mr. Speaker we need to keep in mind that the majority of these Procurement Officers who will be subjected to this statute are not appointed, but rather they are civil servants who belong to the HGEA. It would behoove us to ask ourselves, are these reasonable working conditions or are we opening ourselves up to a union grievance? Anti-union bills like this are not in the best interest of the people. Union challenges are almost always the result of unrealistic or unreasonable work situations like the one proposed in this bill. Yes, both human beings and the Procurement Code are not perfect, but sanctions like this are an unnecessary requirement that would only discourage the kind of dialogue that is needed so that we can improve the application of the Procurement Code. Thank you, Mr. Speaker."

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

"In support, but very briefly. I'd just like to counter some of the arguments that have been raised. First and foremost, looking at the testimony by the State Procurement Office, they support this bill because according to them, if they're going to get involved in a corrective action which again, by definition, means something was wrong in order for it to be corrected. I don't see why there should be a delay beyond 30 days with which the agency takes to correct the action, because what we're talking about here is the expenditure of taxpayer monies under the Procurement Code. If somebody has brought an issue forward that says, the agency violated the Procurement Code and they need to fix it, I don't see why we should have to wait longer than 30 days. If the agency refuses to do so, then they are in violation. They are not taking a corrective action. They're letting a wrong and incorrect action continue to go forward, and for that reason I think sanctions are appropriate. I don't think that there's any real attenuated, or speculative reason to even talk about union involvement or grievances, because the State Procurement Office said that they want and can do this. Thank you."

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

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

"Thank you, very much. In support, and may I adopt the words of the Floor Leader as my own. I would like to insert in the Journal that I'm very happy to hear that the previous, previous, previous speaker is in support of unions. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2825, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 44 ayes to 6 noes, with Representatives Ching, Finnegan, Marumoto, Meyer, Thielen and Ward voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 49-08 and S.B. No. 2163, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2163, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I would like to make some comments on Conference Report No. 49-08. Mr. Speaker, I rise in opposition to this measure that reduces the duration of employment with an exception for unlicensed individuals hired prior to July 1, 2008 for a teacher, emergency hires, from four years to three years. I recognize the importance of better aligning our State laws with NCLB requirements of three years; however we must recognize that we have a teacher shortage and I believe that it says something about that in the bill.

"I feel that this bill will make this situation even worse. It may be too difficult for teachers to attain their license in three years, and our present laws regarding emergency hires have served us well. Instead of potentially making the teacher shortage worse, let's keep the law the way it is, and then conform our laws to NCLB standards once we finally handle the teacher vacancy situation. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2163, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 50-08 and S.B. No. 1793, SD 1, HD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 1793, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Finnegan, Marumoto, Meyer and Thielen voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 54-08 and H.B. No. 2450, HD 1, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2450, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LAND USE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

At 1:57 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2341, SD 1, HD 1, CD 1
 S.B. No. 3203, SD 1, HD 1, CD 1
 S.B. No. 2825, SD 1, HD 2, CD 1
 S.B. No. 2163, SD 1, HD 1, CD 1
 S.B. No. 1793, SD 1, HD 1, CD 1
 H.B. No. 2450, HD 1, SD 2, CD 1

Conf. Com. Rep. No. 55-08 and H.B. No. 2346, HD 2, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2346, HD 2, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"I rise with reservations. I tried to basically do a legal check on this particular bill, but the exemption of the breastfeeding mother is pretty broad, so I'll stand with reservations for now. 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. 2346, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ENDANGERING THE WELFARE OF A MINOR," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Bertram voting no, and with Representatives McKelvey, Nakasone and Sagum being excused.

Conf. Com. Rep. No. 57-08 and H.B. No. 931, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 931, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising in support with some strong reservations. This is a bill that would allow these three-wheeler mopeds to operate on the highways if they stay in the bicycle lanes. I guess they go about 35 miles an hour, so there's a worry that they might impede traffic. But with their profile, with three wheels, they're wider than a bicycle, wider than a moped, and it seems like there's only one company that's making them or intends to be the dealer for them here.

"I'm reminded of a bill that we passed for the Segway. There was a lot of discussion and it took a couple of years before we did pass the bill. There was some concern that they might be dangerous on the sidewalk, which we're hearing about people in Waikiki complaining about them now. They're so silent. They creep up behind you, but they're moving a lot faster than you're walking, so it's kind of a dangerous mix. With this moped, I don't think there would be room in the bicycle lane for the three wheeler along with the bicycle.

"I think we should hold off on this for a little bit. We didn't see one. We heard testimony from a party that would benefit if we passed this bill and that's another concern that I have, that it's like a one party kind of a 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. 931, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MOPEDS," passed Final Reading by a vote of 48 ayes, with Representatives McKelvey, Nakasone and Sagum being excused.

Conf. Com. Rep. No. 58-08 and H.B. No. 2847, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2847, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising to speak against this bill. This is relating to conditional license permits. Mr. Speaker, I ask that the Majority would recommit this bill. I think it's very, very inappropriate for us to proceed. Let me just read from the description: 'This will expand the conditions allowed for a conditional license permit,' and that's a conditional license permit for someone that's been convicted of driving under the influence of liquor. They have a DUI and their license has been suspended. So it's going to expand the conditional license permit and it opens it up so broadly, it means that the DUI person will be able to drive to school; or vocational training; for personal, medical or dental care; or, here's the really broad one, to assist in the care of another person who is unable to drive. This means that the person convicted of driving under the influence of liquor is going to be able to drive minors around because those are persons who are unable to drive. It is so broad that they no longer have a DUI law on the books.

"This is particularly inappropriate since we have had a very highly publicized arrest of a Hawaii Senator for allegedly driving under the influence of alcohol with his minor children in the car. So under this bill, if his license is revoked for a period of time, he'll be right back behind the wheel. I think it's an embarrassment. I think that this House of Representatives should not pass this bill, and I would hope others would join in with me in voting against it so we keep some integrity to the DUI law, and to tell people who drink, don't drive."

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

"In support, Mr. Speaker. Good law-abiding people sometimes make mistakes, and as a result should be punished. However this measure recognizes that these individuals should be allowed to remain productive members of society. Keep in mind this measure only applies to first time offenders who have a job or are going to school, or are getting job training, who need medical attention, or who are caregivers to the aged, sick or disabled.

"This measure does not apply to highly intoxicated drivers, nor to subsequent and habitual offenders. In fact what is required is an administrative hearing with a trained, experienced evaluator who makes an individual determination that the person does in fact have no alternative means of transportation and is gainfully employed or a student or caregiver for a vulnerable person. This is especially important for Neighbor Island residents who often have no public transportation to get to and from work, school or medical care.

"The ADLRO, the Administrative Driver's License Revocation Office still has the power to deny a request for a conditional permit and in fact, may order up to one year license suspension for a first offense. That's according to HRS 291E-41, subsection 1. That has not changed. Even people who qualify for a conditional permit are still subject to an absolute driver's license revocation at a minimum of 30 days, and up to one year at the discretion of the hearings officer. This measure does not diminish our position that DUI is not acceptable and should be taken very seriously.

"This measure preserves the penalties, and preserves the rights of hearings officers to impose the maximum penalty allowed by law. Thank you."

Representative Thielen rose to respond, stating:

"Thank you, Mr. Speaker. Just a few words in rebuttal. That sounded so mild that it was like, okay someone's convicted of driving under the influence of alcohol and we just are going to be a little bit more gentle with them because they may need to go to school, they may need to drive for medical reasons, or dental care or treatment. But read the language specifically on page 3 of the bill that the DUI offender must drive to assist in the care of another person who's unable to drive. Given that person's age, they're your kids. You're putting them in your car with someone that's drinking and driving. That's a pretty bad message to send out to the public. Thank you."

Representative Waters rose to respond, stating:

"In rebuttal. The hearings officer has the discretion to grant it, or not grant it. The hearings officer for certain offenses can punish this person up to one year. That has not changed. But in certain circumstances where there is no alternative means of transportation, and perhaps your mother or father is on dialysis and has no other way to get this type of treatment, the hearings officer can grant a permit, to and from dialysis for example, and nothing else, at their discretion. So if the hearings officer says, 'No. Sorry,' then that's it. You don't get a permit. Thank you."

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

"Once again we're forgiving criminals and not letting them do the time for their crime. I stand in opposition. Perhaps that person that was under the influence should have thought about his parent that is on dialysis, because it just shows how every criminal's action does affect family members and until this Legislature takes a strong stance on actually punishing crime, people in society aren't going to get that message.

"The message that we're sending out is that if you're a criminal, we're going to take care of you. We're going to feel sorry for you. Instead of sending the message that you're going to kill somebody one day and it's going to be an innocent victim that you're going to kill because you're driving under the influence. It just takes one mistake, and I think we need to take a harder stance and say that driving under the influence is just simply wrong, and it's a danger to society."

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

"Thank you, Mr. Speaker. In strong opposition and I ask that the words of the Representative of Ewa Beach be entered as my own, as well as the Representative from Kailua.

"With all due respect of the idea of dialysis, which I'm getting to know very well, the issue of dialysis very well, I don't think the argument follows logically because when you allow someone who has the propensity to drive drunk, to go on the road again you have that opportunity to make sure that there won't be a son or daughter to drive someone to dialysis.

"Drunk driving kills. I'll repeat it. Drunk driving kills. And anyone who has suffered a loss of a family member or a friend to drunk driving understands it very deeply, and there is no alternative once that person is gone. There are alternatives to making sure someone gets to dialysis. There's many alternatives. And I call on some of them on occasion. So to me the idea that they will allow the public to be at risk, knowing that this person has had a previous arrest, is really, I think, dangerous and I think that it's irresponsible on behalf of this House. Thank you."

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

"Thank you, Mr. Speaker. I'm rising in opposition to this measure. Mr. Speaker, it's a privilege to drive, it's not a right. When this Legislature first passed legislation to allow for a conditional license permit, the bar was deliberately set high so conditional permits would only be given in severe cases. But this legislation waters down the reasoning and standards we set for the conditional permit process in the first place.

"We're sending mixed messages to the people of Hawaii. First we are saying, don't drink and drive or you will be punished. But with this bill we are saying, you will be punished if you drink and drive unless you must drive to go to school, or vocational training, or drive to get medical, or dental care for you or a person who is unable to drive. We have a problem with drunk driving on this island, on all our islands. I don't think this bill is coming at the appropriate time.

"The bill that we are going to look at on Thursday; the ignition interlock bill will give these people an opportunity to drive after they've been arrested for DUI, but they will be monitored. That's the way we want to go. This is just opening the door and just barely slapping somebody's hand. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Just short comments in opposition. Just a rebuttal to the case of especially in rural areas, that there are long distances and the need to get from one place to the other. I would also say that that would be the very reason why you wouldn't want to do something like this. It's the need to get to long distances or in rural areas in which a person actually decides to jump into a car and drive drunk because they have to get home, or because they live far away. And we've seen so many sad cases of Neighbor Island drunk driving and deaths and going from here to the Waianae Coast. It's just very sad to see those types of situations. So because of that, we should be very careful how we do these conditional permits. 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. 2847, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDITIONAL LICENSE PERMITS," passed Final Reading by a vote of 37 ayes to 11 noes, with Representatives Awana, Ching, Finnegan, Green, Karamatsu, Lee, Marumoto, Meyer, Pine, Thielen and Ward voting no, and with Representatives McKelvey, Nakasone and Sagum being excused.

Conf. Com. Rep. No. 60-08 and H.B. No. 3249, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 3249, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you Mr. Speaker, I'm rising in support with very strong reservations. This is the bill that creates a new fine for people who park their cars and their wheel is in the bicycle path. They can be fined as much as \$500.

"I just see this as becoming a real nightmare scenario in a lot of our residential neighborhoods. Many of them, and I'm thinking of Kailua where the past Mayor of Honolulu put in a lot of traffic calming devices, which already reduced parking. And then, if you were to park, try to find parking there, and then you happen to be a little bit over into the bicycle lane, then you could get up to a \$500 fine. I'm just thinking of the mayhem that could arrive because of this.

"In Kailua they're fighting these vacation rentals. There's a lot of people with high tension over that. I know the people in Kailua that had all these calming devices. They were really upset. And now we get a new requirement and new fine because here you can't find parking and when you do, you get a \$500 ticket because your wheel is in the bicycle lane. I think this could set up a situation where people would actually get really irritated with bike riders if they were the recipients of many of these \$500 fines. 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. 3249, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Cabanilla voting no, and with Representatives McKelvey, Nakasone and Sagum being excused.

Conf. Com. Rep. No. 62-08 and H.B. No. 2661, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2661, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE REVENUE BONDS TO ASSIST INDUSTRIAL ENTERPRISES," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Marumoto voting no, and with Representatives McKelvey, Nakasone and Sagum being excused.

Conf. Com. Rep. No. 66-08 and H.B. No. 2492, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2492, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Cabanilla's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB2492. In a letter dated May 15, 2006 to the Governor from the Hawaii Legislative Action Committee affiliated with the Hawaii Chapter Community Associations Institute, the Governor was encouraged to veto SB2193 SD1 HD1 CD1 on the basis that, and I quote:

"The proposed changes made by the Bill [SB2193] are directly contrary to the stated intent of the legislature and will harm members of planned community associations by impairing transparency and accountability of associations and their boards of directors."

"What the statement was referring to Mr. Speaker, was that SB2193, CD1, had deleted the language in statute that provided the membership of a Planned Community Association the right to know how each board of director voted on issues before the board. Taking away this privilege runs directly contrary to both stated intentions of the bill: transparency and accountability.

"Thus, I introduced in 2007, HB67, a measure to correct this flaw in SB2193 (ACT 312, SLH 2006) and reinstate the members' right to know how their board of directors are voting on expenditures.

"In 2007, Chair of the Committee on Consumer Protection and Commerce would not advance the measure and in 2008, entertained HB2492 that originally lacked the language to reinstate the voting records of directors to be examined and available to the membership upon request.

"I then lobbied the Vice Chair of the Committee on Consumer Protection and Commerce to consider inserting into the bill the very language I proposed in HB67.

"My constituency, of which some 2/5th resides in a Planned Community Association, are delighted that HB2492 now contains the provision to restore their right to know how their board voted. It is with this accomplishment, that I strongly support this measure and urge it be advanced for passage with the Governor."

At 2:20 o'clock p.m., Representative Waters requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:21 o'clock p.m.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2492, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," passed Final Reading by a vote of 48 ayes, with Representatives McKelvey, Nakasone and Sagum being excused.

Conf. Com. Rep. No. 71-08 and H.B. No. 2730, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2730, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in opposition to House Bill 2730, Relating to Legal Requirements for Neighborhood Board Meetings for several reasons. First of all it is a dangerous precedent to carve out exceptions to this law for specific agencies, and in this case the Neighborhood Boards. This law is aimed at opening up the processes of government to public view in participation as much as possible. And although the law is sometimes felt to be restrictive by those who operate under it, it has served the public very well, and exceptions should be rare.

"This bill, unfortunately, separates the process of deliberating from the final act of deciding. The Sunshine Law treats these as interchangeable because based on decades of experience, it is impossible to separate deliberations from decisions. Each person may make up their mind at a different point in the process, only later casting their final votes at the same time. HB 2730 invites attempts to subvert the Sunshine Law by allowing issues to be raised for discussion that are not on the official meeting agenda. This means that people interested in the subject will have no opportunity to know that that issue will be raised in a Neighborhood Board meeting. A developer for example could make a preemptive presentation of a controversial plan without potential opponents knowing what would happen. Although the Board could not make any decisions, minds could be made up during that presentation and at least tacit agreements reached without the full participation of all interested parties.

"The Office of Information Practices has warned of just this possibility in testimony on that measure. They stated: 'Although notice would be required before a decision was made, the Board members minds might be made up on the issue after the initial discussion. Under the current law, a member of the public can be confident that an issue of major significance will not be discussed at a Board meeting unless it is on the agenda first', the filed agenda. If HB 2730 passes, I believe that the public confidence will be violated. And so in my view, I think we still have a lot of work to do. I know the Neighborhood Boards are concerned about

being transparent and having an open public process, and I believe this bill takes us in the wrong direction. Thank you."

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

"Mr. Speaker, I rise in support of this measure. In fact, I think this bill takes us in the right direction. It's common sense. It takes the handcuffs off the Neighborhood Boards and puts some common sense into them, in the sense that we're going to allow the people who have been elected, but who have no real authority, to be able to talk among themselves.

"Right now, if you get more than two or three Neighborhood Board people, they can't say anything to any media at any time about whatever the matter at hand is. Sure, it's not quorum, but these people can be normal, go to community events, talk among themselves, as long as they don't take a vote or premeditate they're going to take a vote. This is normal discourse of doing the business of the community at the grassroots level.

"Also if there is a really, really important issue brought before the community, this bill allows it to be put on the agenda. Right now it's so rigid, you could have a prediction that a hurricane is going to come and we want to alert the people, but you can't get the jurisdiction to alert the people because it's not on the agenda. It's ridiculous.

"So this mechanism is about time, and I think the Neighborhood Boards, contrary to the previous speaker, are going to be very happy about it and not sad, or cramped in Sunshine, which I think was a little bit overemphasized in what it's doing because it's actually allowing sunshine to come in, and sunshine is known as the best disinfectant. Thank you, Mr. Speaker."

Representative Berg rose to respond, stating:

"Thank you, Mr. Speaker. I'd like to just respond to the previous speaker's comments about the fact that if there was an earthquake or hurricane, we would have put it on the Neighborhood Board agenda, I don't think that we would have to do that, to decide what to do.

"There are two parts of this bill. And the part which is problematic for me is that it would allow a presentation to be made without being filed on the agenda. The other notion of, or other concept, or idea of being able to have Board members meet together is actually what we have been fighting for in East Honolulu, one that all four of our Neighborhood Boards to which I belong.

"So, on one hand I concur with the previous speaker, and on the other I wish that we would take a more deliberate look in searching because we are often accused of being secretive, and not being subject to the Sunshine Law for our own purposes. Thank you, Mr. Speaker."

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

"In support, very briefly. Most of the recommendations that are incorporated into this bill are based off of reports to the 24th Legislature dated 2006, and conducted by the College of Social Sciences Public Policy Center at the University of Hawaii at Manoa. So those are where the recommendations came from.

"We believe that we should pay attention when experts in a public policy discussion have made recommendations, and therefore we've incorporated them in this bill. Thank you."

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

Representative Manahan's written remarks are as follows:

"HB 2730 is curiously similar to HB 1512, which I introduced last year. For whatever reason, HB 1512 did not make it, but I am glad the idea introduced in my legislation moved forward as it makes sense and is absolutely necessary as it pertains to Neighborhood Board meetings.

"As a freshman legislator, I understand that the passage of legislation is a matter of egos. As the bigger person, I am willing to set mine aside, so my idea may live and the community and our State would benefit from such legislation even if someone else takes credit. Below is the language of HB 1512 for your reference, and I would like to thank all those who supported it:

"HB1512 Relating to Public Meetings.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. Chapter 92, Hawaii Revised Statutes, is amended by adding three new sections to be appropriately designated and to read as follows:

"§92- Neighborhood board; notice and agenda; public input; quorum. (a) The agenda required to be included in written public notice of a neighborhood board meeting may include an opportunity for the board to receive public input on issues not specifically noticed for consideration at the forthcoming meeting.

(b) Any matter raised as part of the public input agenda may be discussed and information on the matter may be received by the board at the meeting; provided that the board may not make a decision on the issue. The board may make decisions on matters raised by public input only at a meeting continued to a reasonable day and time and for which an amended agenda has been filed.

(c) A quorum is required only to conduct official board business or for the purpose of discussion and voting required to validate an act of the board as part of official board business. A board may receive information on official board business without a quorum; provided that the board may not make a decision on the issue.

"§92- Permitted interactions of neighborhood board members. (a) Two or more members of a neighborhood board, but less than the number of members necessary to constitute a quorum for the board, may attend informational meetings or presentations on matters relating to official board business, including meetings of another entity, seminars, and community meetings; provided that the presentation is not specifically and exclusively organized for or directed toward members of the board.

(b) Neighborhood board members may participate in discussions, including discussions among themselves, provided that the discussions occur during and as part of the informational meeting or presentation and there is no deliberation on the issue. The board members, at the next duly noticed meeting of their neighborhood board, shall report their attendance and the matters presented and discussed that related to official board business at the informational meeting or presentation.

§92- Neighborhood board meeting; unanticipated events; public interest. (a) For purposes of this section, an unanticipated event that occurs after public notice of a neighborhood board meeting has been issued but before the scheduled meeting, may be the subject of discussion and deliberation at the scheduled meeting if timely action on the matter is necessary. At a duly noticed meeting, a board may

take action on an unanticipated event in the public interest that is not on the agenda in the same manner as if the board had held an emergency meeting pursuant to section 92-8 to take action on the issue.

(b) An unanticipated event that is a public interest issue is an issue that concerns public health, safety, or welfare that has become known to the board or the public after the scheduled meeting was duly noticed, but before the date of the meeting."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect upon its approval."

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

"Thank you, very much. In strong support. I think the experts in this particular area are the members of the Neighborhood Boards themselves. It's true, as the Representative from Hawaii Kai said, they are basically handcuffed in performing their job.

"There are two parts. The part that's not as controversial of course is an easy one, and that is allowing two or more members, but less than a quorum, to attend very important informative sessions or meetings out in the community. That's really the reason why they want to participate in the process in having themselves elected as members of the Neighborhood Board; so that they can attend these particular meetings and then meet with their counterparts or members on behalf of their particular districts and their communities.

"The first part, which is a little bit problematic, actually is not as bad as stated by one of our Caucus Members. There are protections in the bill to ensure that anything that's discussed be re-discussed again with the full Board, or with a full quorum prior to any decision being made. In addition to that, it will be specifically listed on the next agenda prior to decision making.

"I would like to thank the Chair of Judiciary, and the Vice Chair of Judiciary for moving this measure forward. It's huge, huge legislation on behalf of the Neighborhood Board in Waipahu. Thank you, very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2730, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LEGAL REQUIREMENTS FOR NEIGHBORHOOD BOARD MEETINGS," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Berg and Cabanilla voting no, and with Representatives McKelvey, Nakasone and Sagum being excused.

At 2:24 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2346, HD 2, SD 2, CD 1
 H.B. No. 931, HD 1, SD 1, CD 1
 H.B. No. 2847, SD 1, CD 1
 H.B. No. 3249, HD 1, SD 1, CD 1
 H.B. No. 2661, HD 2, SD 2, CD 1
 H.B. No. 2492, HD 1, SD 1, CD 1
 H.B. No. 2730, HD 1, SD 1, CD 1

At this time, the Chair announced:

"Members, on page 16, Conference Committee Report No. 75-08, HB 1832, HD 1, SD 1, CD 1, will be moved to the end of the Calendar today."

Conf. Com. Rep. No. 72-08 and H.B. No. 2253, HD 2, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2253, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AMENDING OR REPEALING VARIOUS PROVISIONS OF CHAPTER 281, HAWAII REVISED STATUTES, INTOXICATING LIQUOR, FOR THE PURPOSE OF CLARIFYING LANGUAGE, CORRECTING ERRORS, AND DELETING UNNECESSARY AND OBSOLETE PROVISIONS," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 74-08 and H.B. No. 2557, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2557, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I rise in favor of Conference Committee Report 74, and House Bill 2557, Relating to Evidence. This provides a Shield Law to journalists. I have reservations regarding the definition of who may claim this privilege. A Journalist Shield Law is designed to encourage the dissemination of accurate information to the public for openness and truth. Ironically, this bill may protect those individuals who knowingly disseminate inaccurate information, such as unscrupulous online bloggers.

"This bill provides for the protection of journalists who disseminate information in the public interest. However, the bill is too broad and includes individuals who look like journalists, but are not held to the same ethical standards. An individual who wants to claim the privilege needs only show that: One, that he or she regularly participates in the dissemination of information of substantial public interest. Two, their position is similar to a journalist. Three, their interest is similar to a journalist's interest in protecting his or her source. And four, protecting the individual's source is in the public interest. This definition is not narrow enough to parse the bloggers who write to inform the public, from the bloggers who merely write for entertainment or who have an ax to grind.

"There is no ethical or professional threshold against which to measure these people. This bill treats journalists of reputable newspapers and media exactly the same as a writer on a gossip blog. True, professional, full-time journalists, whether print, television or online, are accountable to their editors, as well as to their readership or viewers. In contrast, many bloggers are accountable only to themselves. Because of the broadness of the definition, I vote with reservations."

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

"Mr. Speaker, I rise in support with slight reservations also. Mr. Speaker, Thomas Jefferson said, 'If it were left to me to decide whether we should have a government without newspapers, or newspapers without a government, I should not hesitate a moment to prefer the latter.'

"Now Members, those of you who have visited my office know that I'm reminded of this daily because I have a bust of Thomas Jefferson in my office, and this and other things often tend to remind me of the rights of the people, of the common sense, of the common good for the common people. And this is the common sense for the journalists. They need a shield. They need the protection. They need a way of going about doing what they're doing. But I totally agree with the previous speaker that it's a little bit 'loosey goosey' when it comes to the definition of who should or who should not be in it.

"I think we have a good beginning. It can be tightened up. And Mr. Speaker, the bottom line is I hope that this encourages the journalists who are here in the Capitol, in the City Hall who are round about for more fair, balanced and otherwise, more investigative reporting, which hopefully this Shield Law will help bring about, which I'm sure was in the dream of when Thomas Jefferson said what he said, that I began my speech with. Thank you, Mr. Speaker."

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

"Mr. Speaker and Members, I vote with reservations on this measure. I really don't see any major need for a Shield Law. I haven't seen any reporters being taken on and put into jail in journalism. They do have protections under the federal Constitution to protect them, and I don't see why they need additional protection on the local level.

"Mr. Speaker, I ask Members to really consider this as we move along. I understand that this is an evolutionary thing that we're going to be looking at in the future. But we need to remember to keep things in balance. I think everything must be kept in its proper perspective, and I believe the Shield Law is going beyond what is needed. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of this bill with very brief comments thanking the Vice Chair of the House Judiciary Committee for substantial effort and credit that he's taken for crafting a bill that has in the end, satisfied both the news media and journalists, as well the Attorney General as the chief law enforcement officer.

"I think Mr. Speaker, that this bill actually puts Hawaii in a leading position nationally in taking positive steps to ensure freedom of the press. And so I rise in support. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, a brief rebuttal to the Speaker Emeritus who is almost the elder statesman today, except for when it comes to freedom of the press. Mr. Speaker and other Members who were here in the early 90s who knew of a particular Representative of Waianae who introduced a bill to basically regulate journalists the way we regulate utilities. They were to give us a list of their assets, a list of their ownership. There was a suppression of the freedom of the press, which almost got through this body at that particular time, and I thought that was a rather scary moment in our history because it kind of went to the exact opposite of what now we, some 10 or 15 years later, are arriving at with this Shield bill.

"What I think we were doing is progressing more in the direction of letting the free flow of information take place, and letting journalists be what they're supposed to be, and not regulating them for our own good. So Mr. Speaker, we've gone on the dark side. This is coming back to the light side. 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. 2557, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EVIDENCE," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 76-08 and H.B. No. 2486, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2486, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker, I stand in strong support. I stand in strong support of House Bill 2486, SD 1, CD 1, because I believe it's important to work to preserve Hawaii's unique architectural and cultural heritage because historic preservation is an important element in the present and the future quality of life, and it is most important to the economic viability of our State.

"With numbers dipping from Japan tourists, it would behoove us to take a look at what our State is, and why we attract who we attract. If we're going to look like where someone comes from, there's really not that much incentive to come to Hawaii. If we are just going to compete on the level of beaches, there are a lot of destinations that have beaches and world-class hotels. Mr. Speaker, I submit that what makes us important is our unique cultural heritage of this State. And that heritage is embodied in urban surroundings that we see around us. HB 2486 would require photo documentation of historical buildings prior to their demolition or alteration.

"We recognize that not all historic buildings will rise to the level of significance or antiquity that would necessitate complete preservation or complete restoration. At times, demolition or substantial alteration may be unavoidable and in these cases, it's important to have archival-quality documentation for future study to understand context of the site, to understand the historic analysis, and understand the architectural record. This practice in preservation establishes these technical specifications and they should be used in the photo documentation and photographs housed in the State Historic Preservation Office.

"But you ask why is historic preservation important? Why should it be such a big deal that we're photographing buildings before they're knocked down? Innocent people think this is small. Number one, it's important for the reconstruction if we want to have an architect reconstruct what a certain building looked like.

"Number two, it's important because we understand our historical context. In other words, what happened before. An example Mr. Speaker, might be Chinatown. At first glance, at first hearing, most people think that Chinatown was all Chinese, but in fact it was not. In fact Chinatown was the recipient of our different ethnic forefathers. One of the most outstanding and beautiful buildings was the Toyo Theater which is gone now, but if there had been a photograph we could have reconstructed it. We cannot.

"Certain buildings help us to understand our own past, our sense of place. Examples of this might be other buildings that the present people who own them may not have known how important or crucial what they have is. Some people know that Kam Bowl just went down. Varsity Theater went down. The fact is that historic preservation is important also to the future heirs, the people who will take care of these places, to seek to understand and know who came before.

"Buildings and knowing what something looked like can be personal. What did the house that my great grandmother lived in look like? These things don't seem important, they don't seem like they're really that special, but the fact is they're the glue that keeps us together. A lot of them have the challenges of crystal meth. We have the challenges of drug use and increased breakdown of our community, just the way preservation does. So it's good that this is a State mandate because actually, what it is doing is put on record the way things used to be for all of us. Thank you."

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

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

"Mr. Speaker, in strong support. I have a similar request as the Representative of Waipahu to have the words of the Representative from Liliha entered as my own. I would also like to address any concerns that were raised as to whether this will affect or unduly burden regular property owners.

"If you look at the bill, the building in question has to qualify under federal historical, or State historical preservation guidelines, so this will not impede homeowners from remodeling or upgrading their properties. It's a good bill and it will provide like you said, for future architects and designers, for them to draw from the past to build for the future. Mahalo."

Representative Evans rose in support of the measure and asked that the remarks of Representative Ching 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. 2486, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HISTORIC PRESERVATION," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 79-08 and H.B. No. 2204, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2204, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, very much. Mr. Speaker, I'm standing in opposition to this measure, Conference Committee Report 79-08, H.B. 2204, HD 1, SD 1, CD 1, Relating to the Liability of Firearm Owner. I ran this through SPPAM, which is Sonson's Public Policy Analysis Machine and this is what I find. We have to take a look at issues, the goals, what the policy will do, and the affect of the measure before us. The issue is gun ownership. We believe as a society that guns are dangerous. They are inherently dangerous. They are like a pet tiger. You have him as a cub and you take him home. It's really a nice tiger, but sooner or later the tiger will bite someone's head off. Probably yours.

"Guns are the same way. Not unlike drunk driving, guns will kill when it gets in the wrong hands. And that's why as a society we say that if you want to own guns, you better take care of them because we are going to do something about that. We're going to punish you in order to make sure that you are taking care of your guns safely. So we have good legislation that says that you are absolutely responsible if something happens to this gun. You can have it. You have constitutional provisions that say you are allowed to keep guns. There you go. You can have the gun, but you are absolutely responsible, or liable for any damage it may cause. That's the existing law. We're going to change it now to say that well, if you are an individual, you're absolutely liable. But if you are a government entity such as the County of Hawaii, if something happens to the gun, it gets lost from your possession, it's used outside the scope of how the law said it can be used, you make exceptions. I thought we wanted to say that guns kill and if you are a gun owner you are responsible. There should be no exceptions.

"We are making exceptions, and once we make exceptions there will be more exceptions. Essentially we are going to be weakening our resolve to say as a society that we don't want guns out there. It doesn't matter who owns it. You are absolutely responsible. That's why I'm in opposition to this measure, because it does water down

as a resolve, as a society, that guns are inherently dangerous. Please vote no on this measure. Thank you."

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

"Mr. Speaker, I'm rising in opposition to this measure, but probably for the opposite reason from the previous speaker. If it is going to exempt the State and county from liability for the guns that they purchased for the police or the sheriffs, then maybe we should have that same set up for individual gun owners. If they happened to have been robbed and somebody stole their gun, they should not be responsible for that as long as they report that it was stolen and they no longer have it in their possession. It's not something that they wanted or asked for, but somebody stole their gun.

"So this sets up an exemption for one group of gun purchasers and doesn't do anything for the other group. For that reason, I'm voting no."

Representative Sonson rose to respond, stating:

"Just for the edification of the prior speaker, read the bill, because it does offer protection already for gun owners. I'm just concerned about the legal issues here regarding absolute liability and any exception to that.

"As far as the affirmative defense for gun owners, it's there. It's law. If you can prove that it was stolen from your possession and you make a report, you are absolved from absolute liabilities. It's there. What I'm really concerned about is our policy, which is, hey if you're a gun owner, you're absolutely liable. 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. 2204, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE LIABILITY OF A FIREARM OWNER," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Meyer and Sonson voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 80-08 and H.B. No. 3002, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3002, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Bertram voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 82-08 and H.B. No. 3040, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3040, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Bertram voting no, and with Representative Nakasone being excused.

At 2:42 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2253, HD 2, SD 1, CD 1
H.B. No. 2557, HD 1, SD 1, CD 1
H.B. No. 2486, SD 1, CD 1
H.B. No. 2204, HD 1, SD 1, CD 1

H.B. No. 3002, HD 1, SD 1, CD 1
H.B. No. 3040, HD 1, SD 1, CD 1

Conf. Com. Rep. No. 84-08 and H.B. No. 3173, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 3173, HD 1, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker in strong support with brief comments. This is a bill that is long overdue to try to bring some accountability to vessels that break loose and end up on the reefs so that they don't end up like the one on my reef, which has been sitting there for going on five years now, and nobody seems to be able to get it off the reef. So it's about time, and thanks again for the support of the Members for moving this measure forward."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 3173, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GROUNDED VESSELS," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

Conf. Com. Rep. No. 85-08 and H.B. No. 3177, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 3177, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Meyer 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 Meyer's written remarks are as follows:

"Mr. Speaker, I rise in support with some reservations.

"This bill increases the maximum penalty for violations within the Conservation District and authorizes the Board of Land and Natural Resources to assess fines based on damages to natural resources.

"Mr. Speaker, Hawaii's natural beauty attracts visitors and guests from around the world and I agree we should protect our conservation district from those who purposely violate our laws. However, I am concerned the fine increases in this bill are excessive. According to this measure, maximum penalties are increased from \$2,000 to \$15,000. I think the fines should be increased, but increasing fines by \$13,000 for a problem that is not widespread does not seem necessary. According to statistics compiled by the Office of Conservation and Coastal Lands, there were only 38 violations over a three year span. Mr. Speaker, I support this measure by the Governor, but I think the fines are somewhat over the top. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 3177, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PENALTIES FOR VIOLATIONS WITHIN THE CONSERVATION DISTRICT," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

Conf. Com. Rep. No. 86-08 and H.B. No. 2062, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2062, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I am in opposition. Thank you, Mr. Speaker I would like to first be absolutely clear that I am in favor of facilitating long-term care and aging in place. But I have to not ignore what the possibilities are, the unintended consequences. So for now I would like just express my concerns.

"This bill, HB 2062, Relating to Long-term Care, requires DHS to apply to the federal Centers for Medicare and Medicaid services to allow Medicaid nursing home patients to remain at home to receive care. This bill does not necessarily do anything to ensure proper long-term care. In fact, it may even prevent effective long-term care. In requiring DHS to apply to CMS for approval now, this bill locks DHS into a particular program for long-term care restricting DHS' flexibility. By itself, this bill looks okay, but let me explain further.

"This Legislature has authorized studies and a task force to study the issue of long-term care, yet this bill seeks to lock DHS into a long term care program right now, making DHS unable to implement the recommendations of the studies and task force that the Legislature has authorized. We could very well accomplish this slowing or the halting of any particular program. It should also be noted that DHS has already made great strides in providing long-term care services. Four years ago, DHS implemented the Going Home project, which was implemented through in 1915C, CMS Medicaid waiver and the administrative rules. This project already allows the quote, 'money to follow the clients.'

"Mr. Speaker, if I am incorrect about this, then I apologize, and it's my one vote in opposition. But I want to basically make sure that when we are looking at these kinds of things, the unintended consequences, I don't want it to hurt any possibilities for good long-term care situations. Thank you."

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

"Thank you, Mr. Speaker. I'm standing in support. Mr. Speaker, I'm quite perplexed because at the Conference meeting, the language that you see before you in this bill is actually from the Department of Human Services. They provided us with the language for this bill. So again, I'm a little perplexed by the comments of the prior speaker.

"The intent of this bill is quite simple. It is to have the money follow the person. So if that person is at a nursing institution and wants to go home, he or she can do that and that money will follow that person. In addition, DHS made it clear to us that they have four grants, four federal grants in the amount of about \$10 million, and that's specifically for that intent, to have the money follow that person. That's a pilot project that they're working on.

"So again I'm a little confused because the language and the support that we got was actually from the Department of Human Services. Thank you, Mr. Speaker."

Representative Finnegan rose, stating:

"Thank you, Mr. Speaker. I am not going to rise in rebuttal. I am actually going to withdraw my no vote and instead vote with reservations, in hopes that that's what happened in Conference Committee. I am open to correction, and like I said, wanting to see what's best for long-term care. 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. 2062, HD 1,

SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LONG-TERM CARE," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

Conf. Com. Rep. No. 87-08 and H.B. No. 2761, HD 1, SD 1, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2761, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WOMEN'S HEALTH," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

Conf. Com. Rep. No. 89-08 and H.B. No. 2520, HD 3, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2520, HD 3, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Belatti's written remarks are as follows:

"I rise in strong support of House Bill 2520, Conference Draft 1 which establishes a working group to explore the provision of wage replacement benefits to employees who are caring for sick family members. As our population ages and as more and more working people find themselves in the role of caregiver, we must find ways to support family caregiving in a way that allows these family caregivers to remain in the work force. The proposed working group in House Bill 2520 is an important step in ensuring that we develop the right policies to address this need."

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

Representative Magaoay's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of HB 2520, HD3, SD2, CD1.

"Mr. Speaker, the future of our elder population is always increasing in the State of Hawaii. By supporting this measure, not only do we as legislators recognize the hard work of the many citizens who carry the burden of being the primary means of care for a family member with a chronic illness, mental or physical disability, but we also alleviate the stress of the caregivers who also hold a valuable place in the job market. These caregivers have been called the "backbone of America's long term care system," saving the nation over three hundred billion dollars in residential long-term care.

"Caregivers are the people who give up their vacations, good paying jobs, put their friends and home on the backburner, put their marriage in jeopardy to fulfill and honor their vows as a parent, spouse or child. They are also known to have high amounts of anxiety, depression, guilt and frustration, which could and often leads the caregiver to be at risk of suicide, alcohol and drug abuse, and also physically and mentally deteriorate from such high amounts of stress. This burnout is counterproductive when the caregiver must contribute to the workplace. While taking on such feats as working part-time or all day, the caregiver must be able to think clearly for the responsibilities of issuing their loved one's prescribed medication, with the specifics of the right dosage, at the right time under the right methods. Physical strain may also occur to a caregiver, as sleeping patterns may be disrupted.

"Their ability to leave the home for a simple trip to the store or an office may turn into a demanding task because it may require situating a care receiver in and out of the vehicle and he or she may become confused or frustrated in a crowded, unfamiliar place. These cherished care providers often need to rise to demanding new financial strains and increased domestic responsibilities like cleaning, cooking extra meals, and a possible role reversal might happen between child and parent or spouse. By protecting the caregiver you are implicitly protecting the care receiver from possible abuse. Professionals recommend taking breaks from continuous care giving to avoid burnout. Providing a relief from the workplace and the home will empower the caregiver giving him or her more support to continue with the emotional distress.

"Mr. Speaker, House Bill 2520 encourages the marketplace with steady incomes and retention of jobs. From a business perspective keeping experienced employees rather than training new ones is less costly and improves the efficiency of the workplace. It is time to invest in our caregivers who have gone unappreciated for so long. I strongly urge for the passage of this measure. Thank you, Mr. Speaker."

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 this measure.

"For the last two years, the Joint Legislative Committee on Family Caregiving has met frequently on caregiving issues. It became apparent to members of the Committee that caregiving is a widespread concern. I would venture to guess that many members of this body can relate to the need for family caregiving and have instances in their own family where it is or was a necessity.

"The family caregiver in Hawaii provides 15% of the elder care in Hawaii compared with 5% on the U.S. mainland. Balancing the demands of a job with family needs is a tremendous challenge for working people today. People who must work to provide for their families increasingly find themselves torn in two directions. Meanwhile, many businesses find it hard to recruit, train and keep skilled workers. Without paid time, too many people can't discharge their caregiving duties when the recipient has an emergency illness, surgery or accident.

"As part of their work, the Joint Committee conducted a caregiver assessment and an employer assessment. The caregiver assessment gave strong indications that paid family leave would be a tremendous help to caregivers who are still in the workplace and help retain valuable employees in the work force.

"HB2520 would support family caregivers by establishing a working group to explore various funding mechanisms that could potentially support paid family leave for family caregivers. The working group would review and analyze data, inventory eldercare policies and practices that currently exist in the workplace and the extent to which they exist and consider possible enabling legislation.

"The need is unquestioned. The working group would be a good start to addressing that need. Let's follow the lead of California, Washington State and New Jersey in helping our family caregivers and business as well.

"I urge my colleagues support of this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2520, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

CAREGIVERS," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

Conf. Com. Rep. No. 90-08 and H.B. No. 2366, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2366, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Magaoay's written remarks are as follows:

"Since the passage of Act 88 in year 1999, which provided the Clinical Staff of Organ Donor Center of Hawaii 24 hour access to Hawaii Driver's License Information to know whether Organ Donor designation was indicated on the driver's license, more lives have been saved. Organ Donor designation on Hawaii Driver's license have shown significant impact on families knowing their loved one's wishes, 94% of families approached consented to donation knowing that their loved one had indicated their wishes to be an organ donor on their driver's license compared to an overall consent rate of less than 50%.

"The sad part is the number of patients waiting for organ transplants continue to increase at a very alarming rate, there are more patients waiting and the number continues to increase everyday. Any of these patients can be anyone of us, our neighbor, families, friends or anyone that we know.

"Currently, in this State, more people are added to the organ transplant waitlist than are able to be transplanted off of it. In the past years, we have been declining in the number of donors and thus the number of organs and transplantations are declining and we as legislators have a social responsibility. In such a society, donating organs would be accepted as a normal part of dying, and in cases where a person died without recording a specific choice about donating his or her organs; the surviving family members would be comfortable in giving their permission.

"On the positive note the collaboration and partnership of different agencies involved in the promotion of organ and tissue donation and the formation of the Hawaii Coalition on Donation (HCOD) has produced encouraging results. During the past seven years, the number of drivers who signed up as organ donors had increased. And having a Statewide Organ Donor Registry will encourage, and more individuals will have the opportunity to have their wishes documented by signing up to be included in the donor registry."

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

"Thank you, Mr. Speaker. I am in support and I feel compelled to talk about this most worthy measure, if I may. The purpose of this bill is to save the lives of individuals in need of organ transplants by establishing a State wide organ donor registry program. Now in 1999, the Legislature passed House Bill 547 which was enacted as Act 88. This allowed the clinical staff of the Organ Donor Center of Hawaii 24-hour access to the Hawaii driver's license information to ascertain whether that person had an organ donor designation which was indicated on their driver's license. That was very important because it ended up saving a number of lives in the State of Hawaii.

"However, it is important to note that current organ donor designation on drivers' licenses is about 40 percent. Therefore this measure provides for statewide organ donor registry which will encourage not only those who have drivers licenses, but every individual to have the opportunity to sign up on the organ donor

registry. The registry will allow online registration access and will have a centralized data base and automated system of organ donor information for donors, authorized family members and authorized physicians.

"According to the Organ Donor Center of Hawaii and our State, more people are added to the organ transplant waitlist, than are transplanted off of it. The result is that more patients are dying, while on the waitlist. They are being denied because they are too sick to be transplanted. Mr. Speaker many of these people on the organ donor waitlist are family members, friends, even people at this institution. There are faces that are truly attached to this measure, therefore I believe that our community should be a society where people see organ donation as a social responsibility. In such a society, donating organs should be accepted as a normal part of passing away. To achieve this there must a mechanism for everyone to access information, to be given the opportunity to give uniform consent to donate their organs so that others may live. This bill provides such a mechanism to save the lives of loved ones Statewide.

"This measure is also fiscal prudence because it does not cost the State any funds. However, with the establishment of the statewide organ donor registry, Hawaii is in line to secure a \$150,000 federal grant from the United States Department of Health and Human Services, Health Resources and Services Administration. Today the House of Representatives will decide if they can support a bill to save lives. Life is so precious and there is no better gift to others than the gift of life. I respectfully urge all Members to support House bill 2366, CD 1. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I am also in strong support. I ask that the words of the Representative of Kalihi be entered as my own. We must remember always that we are, unfortunately, number one in diabetes in the United States. And after diabetes becomes so chronic it turns into kidney disease. This is so tragic because so many of our people are passing away of this. And so I stand in strong support, Mr. Speaker."

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

"In very strong support for this measure. I'm really saddened that the result of the shortage of organs available to individuals who really, really need them in developed countries results is 'organ farming' in underdeveloped countries. If you Google this issue, it covers countries such as the Philippines, Thailand, Indonesia and India. There are little shops that arise where they actually take very poor people who are otherwise healthy, and offer them a very little amount of money. They just say, 'Give us your organs,' and they farm these organs. It's very sad and it should not happen.

"The citizens of developed countries look to underdeveloped countries for organs because they want to live. I don't blame people for wanting to live, but I don't like the result when we, as a developed country, look at the underdeveloped countries, look at the poverty and those people who live in those countries, and exploit them. I think measures such as this will encourage individuals to be listed on a registry where we can help someone. That's why I 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. 2366, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ORGAN DONOR REGISTRY," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

Conf. Com. Rep. No. 92-08 and H.B. No. 2272, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2272, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO QUALIFIED COMMUNITY REHABILITATION PROGRAMS," passed Final Reading by a vote of 49 ayes, with Representatives Luke and Nakasone being excused.

At 2:55 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 3173, HD 1, SD 1, CD 1
 H.B. No. 3177, HD 1, SD 2, CD 1
 H.B. No. 2062, HD 1, SD 2, CD 1
 H.B. No. 2761, HD 1, SD 1, CD 1
 H.B. No. 2520, HD 3, SD 2, CD 1
 H.B. No. 2366, SD 1, CD 1
 H.B. No. 2272, HD 2, SD 2, CD 1

At 2:55 o'clock p.m., Representative Finnegan requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:58 o'clock p.m.

Conf. Com. Rep. No. 93-08 and H.B. No. 2386, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2386, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

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

"Mr. Speaker, I am in opposition to this measure, HB 2386. It requires an employer to pay temporary total disability benefits regardless of whether the employer controverts the right to benefits. It specifies that the employee's ability to return to work is to be decided by the employee's treating physician.

"According to the Chamber of Commerce, they say: 'We understand the intent of this bill, however the Chamber opposes this measure because of the unintended consequences that could result with the passage of this measure. We believe this bill may serve as a disincentive for an employee to return to work. If this happens it will hurt small businesses, which operate on limited resources. We believe this is not a good bill, and we would urge all of you to vote no.'"

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

"Thank you, Mr. Speaker. I'll be voting no on this. I just want to point out that the Governor vetoed this measure last year, and would ask if I could submit some remarks in the Journal."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I am rising in opposition to CCR No. 93-08.

"This measure is similar to House Bill 858 that was vetoed by the Governor last year.

"HB 2386 SD2 CD1 would needlessly increase the costs of workers' compensation claims and create a disincentive to return to work. More specifically, it may encourage certain employees to continue to contest returning to work because even if the Director determines the employee is able and could have gone back to

work, the employee bears no risk for failing to do so, as the benefits the employee was paid are non-recoverable by the employer.

"While the bill entitles an employer to a credit, any credit is limited to the amount paid to the employee after the Director of Labor notifies the parties of the date when payments should cease. Any benefits paid prior to the decision by the Director are not recoverable by the employer.

"The process created by this bill is flawed. It provides a process for an employee, but no similar process for the employer to request a hearing. According to this bill, an employer cannot terminate TTD benefits unless the Director of Labor orders the termination, or the employee's treating physician determines that the employee is able to resume work and the employer has made a bona fide offer to work within the employee's medical restrictions. This bill provides no process for the employer to request a hearing, thus establishing inequitable treatment of the employer versus the employee.

"There are already safeguards in place that deter employers from terminating TTD benefits unless there is a valid and good faith basis to do so. Under HRS 386-92, if the employer fails to pay TTD benefits in a timely manner, a 20% penalty may be added to the unpaid benefits due. Mahalo."

Representative B. Oshiro 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 the report of the Committee was adopted and H.B. No. 2386, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 38 ayes to 10 noes, with Representatives Berg, Ching, Evans, Finnegan, Marumoto, McKelvey, Meyer, Pine, Thielen and Ward voting no, and with Representatives Nakasone, Sagum and Saiki being excused.

Conf. Com. Rep. No. 94-08 and H.B. No. 2388, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2388, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

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

"Thank you, Mr. Speaker. Again, I am in opposition to another worker's compensation measure. This is House Bill 2388 and it would require the employer to continue medical service to an injured employee, despite disputes over whether the treatment should be continued. You must wait until the Director of Labor and Industrial Relations decides whether a treatment should be continued. In other words you must wait for a hearing and disposition.

"The Chamber of Commerce opposes this measure, saying that: 'We understand the intent of this bill and recognize that workers suffering from work related injuries deservedly warrant proper and necessary treatment. However this measure may cause unintended consequences such as unreasonable and unnecessary treatment for nonrelated work injuries. As a result employers, especially small businesses may be subjected to increase in worker's compensation premiums and the overall cost of doing business.'

"This will hurt the economy, Mr. Speaker. Please vote no."

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

"Thank you, very much. In strong support. This measure is very important for providing healthcare to injured people. It could be the worker, or it could be the employer, himself or herself. The exception that we're providing in this measure is very limited. It's only in certain terms of where essential medical services prescribed by the treating physician necessary to prevent deterioration of the employee's condition. This limits this to those conditions only. Since these are essential medical services that are being required, if we stay with the law as is, and services are stopped. But it does not really stop there. This person would have to go somewhere for treatment. If treatment is denied, this particular injured person will end up in our emergency rooms. It's clear we will pay for this one way or another. It will be their responsibility because normally it would be covered under HMSA if it's denied by worker's compensation. If it is denied by worker's compensation, HMSA or any other private provider, normally they would then go into Medicaid or QUEST, and the State will end up paying for it.

"This particular measure is a relief for injured people. It makes sure that they are not punished for being injured, just because there is a question between two doctors, probably an insurance doctor and a treating physician, on what is necessary to elevate this person's condition. The treating physician in this case is the doctor that knows this particular person and this particular injury. That treatment is not only stopped by an insurance doctor hired for the very purpose of stopping treatment. So because in this situation where there will be no treatment provided at all, we are providing some relief through this measure so that those essential medical services are provided for until such time as the director can hear this particular issue and make a decision. So thank you, Members. Please support this measure."

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:

"Mr. Speaker, I rise in opposition to this bill.

"HB 2388 HD1 SD2 CD1 requires the employer to continue medical services to an injured employee despite disputes over whether treatment is still needed. These treatments will continue until the Director of Labor and Industrial Relations makes a decision on the case.

"This bill erodes the rights of the employer and will lead to increased workers' compensation premiums, increasing the costs of doing business in Hawaii. DLIR estimates that this proposal would add \$34 million in payouts from employer premiums and \$5 million more in payouts for self-insured employers.

"Mr. Speaker, the number of hearings at the Department of Labor will likely increase dramatically under this proposal. DLIR estimates that they will have to bring on extra personnel, which could cost approximately \$460,652 initially and \$426,552 in salaries annually.

"This proposal is identical to the two bills the Governor vetoed in 2006 and 2007. The Governor's Office says the objections the Governor had for vetoing those bills still exist in this proposal and I will be voting no on this measure. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2388, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 39 ayes to 9 noes, with Representatives Berg, Ching, Evans, Finnegan, Marumoto, McKelvey, Meyer, Thielen and Ward voting

no, and with Representatives Nakasone, Sagum and Saiki being excused.

Conf. Com. Rep. No. 99-08 and H.B. No. 3179, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 3179, SD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising to speak against this measure. This bill's purpose is to encourage the development of biofuels and reduce the State's dependence on fossil fuel. Mr. Speaker, I think that we are learning internationally and nationally, that this is not the right way to go. I know the Majority Leader spoke about having agricultural lands just vacant at this point, and so once they are converted to producing crops for biofuels and then if we need them for food, we can make the change. Basically that would be too late to make that change.

"We don't produce enough food here in Hawaii to feed our people, so to use the land for so called, energy crops, doesn't make sense. A recent United Nations report called, *Biofuels: A Crime Against Humanity*, and then there's another article by Lester Brown who is the founder and president of Earth Policy Institute, and Jonathan Lewis, a climate specialist and lawyer with the Clean Air Task Force, they're saying that food-to-fuel mandates have failed the world. That food-to-fuel mandates were meant to move America toward energy independence and mitigate global climate change, but the evidence irrefutably demonstrates that this policy is not delivering on either goal. In fact, it is causing environmental harm and contributing to the growing global food crisis.

"Mr. Speaker, if I may have permission to insert excerpts from this article into the Journal, I would appreciate it. Thank you."

Representative Thielen submitted the following excerpt:

The Honolulu Advertiser

Posted on: Wednesday, April 23, 2008

COMMENTARY

"Food-to-fuel mandates have failed the world
By Lester Brown and Jonathan Lewis

... These "food-to-fuel" mandates were meant to move America toward energy independence and mitigate global climate change. But the evidence irrefutably demonstrates that this policy is not delivering on either goal. In fact, it is causing environmental harm and contributing to a growing global food crisis.

...

It is now abundantly clear that food-to-fuel mandates are leading to increased environmental damage. First, producing ethanol requires huge amounts of energy — most of which comes from coal. Second, the production process creates a number of hazardous byproducts, and some production facilities are reportedly dumping these in local water sources.

Third, food-to-fuel mandates are helping drive up the price of agricultural staples, leading to significant changes in land use with major environmental harm. Here in the United States, farmers are pulling land out of the federal conservation program, threatening fragile habitats. Increased agricultural production also means increased fertilizer use. The National Academy of Sciences reported last month that meeting the congressional food-to-fuel mandate by 2022 would lead to a 10 to 19 percent increase in the size of the Gulf of Mexico's "dead zone" — an

area so polluted by fertilizer runoff that no aquatic life can survive there.

Most troubling, though, is that the higher food prices caused in large part by food-to-fuel mandates create incentives for global deforestation, including in the Amazon basin. As Time magazine reported this month, huge swaths of forest are being cleared for agricultural development. The result is devastating: We lose an ecological treasure and critical habitat for endangered species, as well as the world's largest "carbon sink." And when the forests are cleared and the land plowed for farming, the carbon that had been sequestered in the plants and soil is released. Princeton scholar Tim Searchinger has modeled this impact and reports in Science magazine that the net impact of the food-to-fuel push will be an increase in global carbon emissions — and thus a catalyst for climate change.

Meanwhile, the mandates are not reducing our dependence on foreign oil. ...

Turning one-fourth of our corn into fuel is affecting global food prices. ... Deadly food riots have broken out in dozens of nations in the past few months, most recently in Haiti and Egypt. World Bank President Robert Zoellick warns of a global food emergency. The immediate necessary step is a major increase in global food aid. But beyond that, America must stop contributing to food price inflation through mandates that force us to use food to feed our cars instead of to feed people.

...

Lester Brown is founder and president of the Earth Policy Institute. Jonathan Lewis is a climate specialist and lawyer with the Clean Air Task Force. They wrote this commentary for The Washington Post."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 3179, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEFINITION OF RENEWABLE ENERGY PRODUCER," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Thielen voting no, and with Representatives Nakasone, Sagum and Saiki being excused.

Conf. Com. Rep. No. 101-08 and S.B. No. 2977, SD 1, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2977, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CHILD SUPPORT ENFORCEMENT," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Sagum and Saiki being excused.

Conf. Com. Rep. No. 103-08 and S.B. No. 2879, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2879, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan 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 Finnegan's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support with reservations of C.C.R. 103, S.B. 2879, S.D. 2, H.D. 1, C.D. 1 which establishes a power of attorney for special education. It also establishes the process to appoint an educational representative for an adult

student who lacks capacity and clarifies the authority of a guardian of an adult student. This measure is a long and complicated initiative that has many educational and legal consequences, yet it was not referred to either the Education Committee, or the Judiciary Committee. It was only referred to the Finance Committee. In my opinion this would limit public discussion and participation, not giving this measure the exposure and discussion needed. It is particularly troubling that this bill was not heard before the Judiciary Committee. This measure deals with a power of attorney, and deals specifically with special education students who are especially vulnerable. A hearing before the Judiciary Committee could have alleviated any negative or legal consequences to the passage of this initiative.

"The potential legal ramifications of this bill need a closer look. In particular, I am concerned that this bill does not reflect the implementation requirements of the Individuals with Disabilities Education Act (IDEA) which incorporates a team approach towards the development of the student's Individualized Education Program. Having a single individual determine if the student is incapacitated, especially in lieu of a judicial process, is limited in providing safeguards to ensure the protection of the rights of the adult student.

"Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2879, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Sagum and Saiki being excused.

Conf. Com. Rep. No. 104-08 and S.B. No. 2334, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2334, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"In opposition. The reason I'm in opposition to this bill is because it would limit the Governor and the Director of Public Safety's ability to appoint candidates of their choice in certain positions. The Department of Public Safety has testified many times in opposition to this bill because we believe it's critical for the success and operation of any department. The Governor and director of a department have the opportunity and the capacity to select those administrators that will work within the current system.

"The Legislature has, time and time again, limited the Governor's power and this just another one of the them. I just find it very hard to believe that every district in the State voted for the Governor in the last election to basically take away the powers that they're electing her to continue. This bill makes stricter requirements. Well, maybe not stricter. Some people would believe them to be stricter requirements. But there are certain requirements that you must meet to be an administrator in this department. Basically according to these requirements, Mr. Propotnick, who is a former FBI agent, and he's an administrator in this Department, would not qualify. I can't think of a person who went through tougher training than Mr. Propotnick, and yet we're singling him out as not being qualified. Thank you."

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

"Mr. Speaker, I vote with reservations for totally different reasons that have been explained before. My reservations stem from the fact that I'm just concerned about the impact that this will

have on the ERS. That's why I support the Resolution that would convene a taskforce to look at the conversion of these positions to civil service and the impacts that they would have. Mahalo."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2334, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 46 ayes to 2 noes, with Representatives Meyer and Pine voting no, and with Representatives Nakasone, Sagum and Saiki being excused.

Conf. Com. Rep. No. 107-08 and S.B. No. 2876, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2876, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT SECURITY," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Sagum and Saiki being excused.

At 3:10 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2386, SD 2, CD 1
H.B. No. 2388, HD 1, SD 2, CD 1
H.B. No. 3179, SD 1, CD 1
S.B. No. 2977, SD 1, HD 2, CD 1
S.B. No. 2879, SD 2, HD 1, CD 1
S.B. No. 2334, SD 2, HD 1, CD 1
S.B. No. 2876, HD 2, CD 1

Conf. Com. Rep. No. 110-08 and S.B. No. 2652, SD 2, HD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and S.B. No. 2652, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 45 ayes, with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 112-08 and S.B. No. 2933, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2933, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in support with serious reservations on Conference Committee Report 112-08, Senate Bill 2933, SD 2, HD 2, CD 1. Without belaboring the point, since I went through this on Third Reading, very quickly I'll just reiterate my concerns with this bill. Let me make clear, I do applaud the intent of this measure, but again, this bill allows the use of clotheslines by owner's of privately-owned single family residences and provides restrictions on the locations of clotheslines.

"The language of this bill says that the purpose of this Act is to prohibit contracts and other binding agreements for precluding the erecting and using of clotheslines on the premises of single family dwellings and to prohibit rules on the placement of clotheslines from being unduly or unreasonably restrictive. Again, unreasonably and unduly restrictive. What is that? It is tenuous language. I can't stress this any more. It is bad public policy to be passing laws with tenuous language such as that because again, it

leads to lawsuits for an interpretation by a court, thus increasing litigation. So again I think that is a very serious reservation I have regarding the language in this bill.

"Again, the second reservation I have deals with many of the communities here in the State of Hawaii that are guided under the auspices of declaration of covenants, conditions and restrictions. These are rules. These are binding contracts that we enter into. And the fact of the matter is this: they have restrictive covenants that we are bound to, and so these restrictive covenants, whether we like it or not, once we sign that contract with the developer, we are bound by that contract.

"There have been arguments I heard during Third Reading that it's only for aesthetic purposes. In my mind, we're treading the line here because in my mind, what this bill does is it interferes with negotiated and agreed upon terms of a contract, and it interferes with the expectations of the parties. The CC&Rs we are trying to amend will trump them, rendering this bill moot. This bill violates the Contracts Clause which prohibits retroactive modification of contracts. However, because I support the intent of this bill, I rise with reservations. Thank you, Mr. Speaker."

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

"Mr. Speaker, I also rise with slight reservations, but more from a perspective of the evolutionary use of solar energy. If we look at the track records we've been given, maybe 25 years of incentives to get solar on our roofs, I think the data says we're probably at 17 to 20 percent, 25 percent maybe at the most. We have pushed and pushed, and nothing has happened. Now we are mandating in another measure, that if you build a house after next year, you have to put in solar energy. So we've tried, and then we're saying if you didn't do it on your own voluntarily, we're going to force you. This bill reverses the evolutionary thing, it turns it on its head in saying, without any constituents saying, 'You know, I really have got a problem with my community association. They told me to take down and tear down my clothesline.' I've not heard one constituent complaining about that, but yet we are. Big brother, big government. You will not restrict clotheslines. This is where government interferes and creates a problem before it even is created.

"We need to have a policy. We've got to have renewable energy, but to have clotheslines as our front and center energy policy for the Session, I think makes a mockery of what we need to take very, very seriously. For those reasons Mr. Speaker, it's a bill that will have some effect, but I think it's going to be more of, and as the previous speaker said, an irritant in the eyes of the people rather than getting them and convincing them to do things with renewable energy in mind. Thank you, Mr. Speaker."

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

"Mr. Speaker, thank you. I am standing in support with reservations. I would like the good words from the Representative of Kapolei, with all her energy, to be added as my own, except please exclude the language in her comments about, 'What is that?' Thank you," and the Chair "so ordered." (By reference only.)

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

"Thank you very much, Mr. Speaker. In strong support. I don't think this bill will make a mockery of anything. It doesn't allow an individual to hang their laundry where everyone can see them and make fun of them, or say anything like that because of the colors or choice of style in their clothing. If that is the opposition, be at rest. This is a reasonable regulation to impose a restriction on good public policy, which is to allow people to enjoy the good smelling towels because they are hung up to dry naturally, and dried with

renewable energy. I don't know how much it would help as far as eliminating global warming, but every little bit counts.

"We have to be very concerned that each time we use energy, we're burning up coal in other parts of the world. We have petroleum products, oil. We're burning things that cause our world to get warmer. So I'm in support of this environmentally-safe legislation. Thank you very much, Mr. Speaker."

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

"Thank you Mr. Speaker, I'm rising in support with strong reservations. I'd like the words of the Representative from Kapolei and the Representative from Hawaii Kai inserted in the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2933, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSEHOLD ENERGY DEMAND," passed Final Reading by a vote of 44 ayes to 1 no, with Representative Finnegan voting no, and with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 114-08 and S.B. No. 2768, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2768, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising in opposition to Conference Committee Report 114-08. This bill authorizes the Maui Health Care Regional System Board to issue \$150 million in revenue bonds to finance the construction, improvement and equipment of the healthcare facility including the construction of a Heart, Brain and Vascular Center.

"These are revenue bonds, not special purpose revenue bonds. If Maui Memorial cannot repay these bonds, it will become a State obligation. The bill is clear that these bonds are special limited obligations of the State, payable exclusively from and secured by a lien on the revenues of the Heart, Brain and Vascular Center financed by the bonds. In our current budgetary environment, this is not fiscally responsible. It is not clear that Maui Memorial Medical Center can demonstrate the revenue stream to pay back the bonds. Even though this is a special limited obligation of the State, it is nonetheless an obligation and one that we should think very carefully about before we enter into it.

"Maui Memorial Medical Center is also a part of the consortium of hospitals that has run a multi-million deficit almost every year. Recently Maui Memorial successfully closed on an \$11 million loan. While this speaks well for Maui Memorial's credit worthiness, adding these revenue bonds to their obligation they oversubscribe Maui Memorial. Instead of improving this kind of obligation at this time we should exercising financial restraint. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. I rise in support. I'm kind of surprised that a Member of the Finance Committee would be speaking against this bill. Special revenue bonds have a process they need to go through, and of course they need to pass the Legislature and Finance Committee. They go through the Budget

Office and the Governor's Office. If she doesn't veto it, it goes to the Budget Director and the staff, they will examine the worthiness of the project and then they'll go on. If they find this worthy, they'll go to a finance company who would determine whether the cash flow and the revenue that's derived from these particular services would be enough to pay for the bonds. If it's not, they will not provide the revenue bonds. So it will not necessarily become a burden to the State because it will be examined quite carefully before it is allowed to the Maui Memorial Hospital.

"And it should also be remembered that Maui county is quite unique. It has only one hospital in the county, unlike the rest of the counties who have more than one hospital. But of course, this has no basis. The basis of this here is that no approval will be made until they have a cash flow plan that the mortgage brokers and the bankers will be willing to finance. Thank you, very much."

Representative Meyer rose to respond, stating:

"Thank you, Mr. Speaker. While I have the greatest respect for Speaker Emeritus, we've tossed these terms around: special revenue, special purpose revenue bonds, general obligation bonds. But I would ask that he look at the bill and its title. This is not a special purpose revenue bond. These are regular revenue bonds, and that's the problem that I have. If it was a SPRB, we would not have the obligation that we will have as the hospital is really owned by the State, and if the hospital doesn't have the revenue stream and they can't make the payments, they'll be coming to the Legislature. Thank you."

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

"With slight reservations. My only comment is on the brain neurosurgery. I know that in Hawaii we have a really high rate of heart disease and diabetes, and obviously there are complications. So I'm really pleased to see that we're looking at a Heart Center. But I do have concerns about the brain and neurosurgery, because that's really expensive to have that type of equipment and those types of professionals. I just hope, like the previous speaker, that we have a good enough revenue stream or we'll be back asking the Legislature for subsidy. Thank you."

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

"Mr. Speaker, brief comments in support. I would like to incorporate the words of Speaker Emeritus as if they are my own. Another example of, don't just read the title or the bill description. You have to read the bill. If you turn to page 3, line 17, subpart (d), it says that, 'Revenue bonds should be secured by the taxing power of the State.' The people are not on the hook here, plain and simple. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2768, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF REVENUE BONDS TO ASSIST THE MAUI REGION OF THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 43 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 115-08 and S.B. No. 2826, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2826, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, I rise in strong support of SB2826, CCR115-08.

"This measure will provide fundamental procurement training that shall be mandatory for State procurement officers and optional for county officers. State chief procurement officers must attend training within sixty days of being appointed. Additionally, further training may be required based upon a history of noncompliance or any other need.

"Hawaii has a very complex Procurement Code, and it is likely that many procurement contracts are awarded incorrectly due to an incomplete or inaccurate understanding of the Procurement Code. By providing mandatory training for State procurement officers, we will ensure that Chief Procurement Officers will have a complete understanding of the State Procurement Code. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2826, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 42 ayes to 3 noes, with Representatives Finnegan, Marumoto and Meyer voting no, and with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 116-08 and S.B. No. 2824, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2824, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, I rise in strong support of SB 2824, CCR 116-08.

"This measure makes the Comptroller and the county representative on the State Procurement Policy Board ex-officio non-voting members and also requires the Procurement Board to audit at least two Executive agencies every year to ensure compliance with the Procurement Code.

"It is an inherent conflict of interest to include government employees on a board that oversees government procurements. Despite this, it is this exact situation that occurs on the State Procurement Policy Board. Making the Comptroller and county representative ex-officio non-voting members of the Procurement Policy Board will address this issue and ensure that the Procurement Policy Board shall remain a non-biased entity that can fairly examine questions relating to our Procurement Code.

"The second part of this measure directs the Procurement Policy Board to annually audit at least two Executive departments. In researching this measure, it was discovered that only one procurement compliance audit has been conducted in the past fifteen years. To ensure accountability in the expenditure of public funds, it is absolutely imperative that government departments fully comply with procurement. Passage of this measure will help safeguard the people of Hawaii from the misappropriation of public monies.

"Though some have argued that a specific incident served as motivation for these measures, your Committee on Economic Development and Business Concerns used this measure as an opportunity to improve Hawaii's procurement process. Mr. Speaker, the people of Hawaii deserve responsible and fair expenditure of their public funds, and this measure, as well as the preceding one, will build consistency, transparency, and accountability in our procurement process. Thank you."

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

"Mr. Speaker, on CCR No. 116-08, I'm speaking in opposition to this bill. Mr. Speaker, I believe this is yet another anti-Ted Liu bill initiated by a Senator who seems to have an ax to grind with DBEDT's Director, some say for his creative and resourceful measures of fulfilling his Department's goals and for his enthusiasm for innovative initiatives, particularly those introduced by our Republican Governor.

"This bill originated after confusion with the procurement of the Hydrogen Investment Capital Special Fund management contract. Since that time the contract was rescinded, corrective actions were taken, and the contract was reposted and bid. Additionally, Director Liu has never tried to hide what was going on from us or the public, and apologized for any perceived misconduct in regard to the original contract.

"Mr. Speaker, when I did listen in on some of the discussion on this, it had a lot to do with basically how the Department and other departments have exercised the procurement process up until now. And not only within Governor Lingle's reign, but prior to that. Though this bill restrains to now require the State Procurement Office to perform random annual audits on all government agencies based on a pattern of non-compliance, this bill is still nothing but a vendetta gone too far. We should stop beating this horse already.

"If we're serious about making positive changes to improve the Procurement Code, then let's prove it by putting aside discontent or problems with individual agencies by attacking them through legislation based on a very specific issue, and start discussing the real issue of how can we improve the Procurement Code? Where do we need to be more stringent? Where are we too lax? Are annual random audits and mandatory staff training really necessary, and if so, why has it gotten to this point? These are the kinds of issues that we should be discussing when it comes to improving our Procurement Code, yet none of these questions came up.

"I would support a full-bodied and comprehensive approach toward improving procurement issues, however I don't think that this is it. I suggest that we hold this and the other related piecemeal procurement bills, and take it up again next Session with the full intention of making real changes. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2824, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 42 ayes to 3 noes, with Representatives Finnegan, Marumoto and Meyer voting no, and with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 117-08 and S.B. No. 3009, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 3009, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising in opposition to Senate Bill 3009, SD 2, HD 2, CD 1. And since I've spoken on this matter before, I'll make myself brief. I'm in opposition because this bill amends the Money Transmitters Act, Chapter 489D by providing for exemption from the Act for big financial institutions and allowing DCCA to increase the fees to an amount DCCA chooses to impose.

"This Administration bill will allow DCCA to hire four full-time positions to implement the Act. DCCA is well-known for empire building and enlarging government. DCCA was able to build new buildings out of the money they squeezed from small business. This bill is for insidious taxing of our most vulnerable citizens, the immigrants that can only transmit in small, but frequent amounts. This bill will force money transmitters to increase their fees to equal the charges asked for by big financial institutions. Even though one might argue that this will equal the playing field, it is done so on the back of immigrants and those who have family in the old country.

"This bill was only supported by DCCA and a lobbyist for those big financial institutions. I am really disappointed Mr. Speaker, that a measure such as this is passing out of our Chamber. We are Democrats, and are supposed to stand up for the little guys. Mr. Speaker, what the public will see today by passage of this bill is contrary to that perception. I ask my colleagues to stand up for small businesses such as the money transmitters. I also ask the Governor to redeem herself to the immigrants who voted for her, and a lot of them did. She even went to the Philippines before the election, and I ask her to veto this measure to redeem herself. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 3009, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS," passed Final Reading by a vote of 43 ayes to 2 noes, with Representatives Bertram and Sonson voting no, and with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

Representative Thielen rose, stating:

"Mr. Speaker, before we discuss Conference Committee Report No. 119, can we recess briefly so our Caucus can meet briefly? This is relating to transportation and it is the additional rental motor vehicle customer facility charges. I would like a recess for our Caucus to meet on that."

At 3:29 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:42 o'clock p.m., with the Speaker presiding.

At this time, the Chair announced:

"Members, we are on page 19 and at 3:25 p.m., the Senate has recessed for the day. They're all through for the day and have gone back to their respective offices. So at this time, we are on Conference Committee 119-08."

Conf. Com. Rep. No. 119-08 and S.B. No. 2365, SD 1, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2365, SD 1, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I think that in today's economy this is a very bad bill to let move forward. What it does is, it extends the tax on rental cars. Mr. Speaker, we may have declining tourism. It's not clear, but we know that we have a sensitive economy at this point, so it really is a new fee. It would be one thing if the industry were united saying, 'Please extend this tax and fee on people that rent our vehicles', but the industry is not united.

"I think it really is a bad message; we send out the message that once we impose a temporary tax. I mean, it is a tax. Don't believe that it's temporary. It will always be made permanent by this body. So I would like to encourage my colleagues to vote against this measure."

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

"Mr. Speaker, I rise in opposition to this bill. I was for this bill for most of the Session because it was an extension of a charge that was already in place and it would go to the Highway Fund. I didn't want to take money from the Highway Fund. However, since the Conference Committee met, there has been an additional \$1 tax added, in addition to the extended tax of \$3, and that was just too much for me to stomach, so I'm in opposition."

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

"Thank you, Mr. Speaker. I'm rising in opposition to this measure. Last year, when we extended the surcharge, I went along with it. I guess I was just sort of kidding myself that it was not a new tax. It's an old tax, and I knew that the Highway Fund was in dire need of more funds. But it was a tax that we created and we keep extending it out.

"But now in this bill, you've added the surcharge extension to the facilities charge; a brand new charge of \$1 a day. So you're talking \$4 a day for anybody who rents a car in the State of Hawaii. The Facilities Charge was contentious all the way through because you had different car rental companies, and about 50 percent wanted this, another 50 percent didn't want it. So they were not together. I think this bill shouldn't be passed for that reason alone, right now. I think CATRALA has to talk to them and see what they can work out. So I don't think we are ready to pass this bill. I certainly am not.

"Another problem I have with this is that it talks about appropriating \$10 million for planning a new facility on Maui, in the Kahului Airport. The Kahului Airport has one of the better setups of most of the islands. The International Airport here on Oahu is far more in need of a centralized car rental place. I really object to certain parties making that a provision in this bill. I would hope that the majority of Members in this Chamber vote no on this bill."

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

"Mr. Speaker, brief comments in opposition. Mr. Speaker as the previous speakers have indicated, I believe the timeliness of this is quite off. Except for this bill, we probably could have fulfilled the promise of no new taxes and no fee increases. But this one goes up now from \$3 to \$4. What I think the lesson that is being spoken here is that we should be careful that we don't do to the world what we've done to Japan.

"What I mean by that is when the Governor and some of us who accompanied her met with all the Japanese elite in tourism, the message that came across the table from them to us was, 'Don't take us for granted. Don't assume we're always going to come.' It

was almost saying, 'Don't disrespect us'. But I think when we keep piling on fee after fee after fee, we're already at \$4 on top of what otherwise the rentals are going to charge on top of the GET.

"We can't take business for granted because after a while Mr. Speaker, there are so many other destinations, there are so many competing places less expensive, of course not as beautiful as us, but I think this is a caution. And as the Representative from Kaimuki/Kahala had said, tourism jobs are very important. This bill will jeopardize that. Thank you."

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

"Mr. Speaker I speak in favor of this measure. It should be noted that the result of this bill is a compromise measure between the various U-Drive operators. It wasn't crammed down anybody's throat. It was a compromise position.

"In regard to the International Airport where there is a need for some facilities, this is exactly what we're doing. The intent is to build a new facility to ensure that we'll be taking care of the international and domestic traveler.

"Now, as far as Maui is concerned, Maui Airport is one of the fastest growing airports and this is again, a compromise measure that came up.

"In regard to taxes it seems that my good friends across the aisle here choose and speak on the kind of taxes they want to pay. The Harbor Urbanization Plan will cost approximately \$280 million that would entail fees being charged to raise that particular revenue. At the airport, the Governor just raised the landing fees, but so far there's not a squeak about that. And here we have this facility charge and we call it a tax. If you want to call it a tax, let's be consistent. They're all taxes then, if that's what you want to say. The Harbor tax which we all voted for will be raising fees to pay for that \$380 million revenue bond. Airport landing fees increase to pay for the billions in improvements at the airport. Mr. Speaker, I just wanted to set the record straight. Thank you, very much."

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

"Thank you, Mr. Speaker. In strong support and could I have the words of the Chairman of Transportation adopted as my own. I also have of couple of points.

"As air travel becomes more and more inconvenient for people, we really need to make the experience of coming to Hawaii more convenient. This facility will help do that. I think anything we can do to make it convenient for people, to encourage them to come back, I'm in favor of.

"Also the previous speaker from the other side of the aisle was right. There is a split in the industry about this bill, but that split comes because certain rental car companies do not have facilities at the airport. If they had a facility at the airport, they'd be in favor of it. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2365, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 35 ayes to 10 noes, with Representatives Belatti, Brower, Ching, Finnegan, Marumoto, McKelvey, Meyer, Pine, Thielen and Ward voting no, and with Representatives Cabanilla, Luke, Nakasone, Sagum, Saiki and Takai being excused.

At 3:53 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2652, SD 2, HD 2, CD 1

S.B. No. 2933, SD 2, HD 2, CD 1
 S.B. No. 2768, SD 2, HD 1, CD 1
 S.B. No. 2826, SD 2, HD 1, CD 1
 S.B. No. 2824, SD 2, HD 1, CD 1
 S.B. No. 3009, SD 2, HD 2, CD 1
 S.B. No. 2365, SD 1, HD 1, CD 1

Conf. Com. Rep. No. 120-08 and S.B. No. 2663, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2663, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I'd like my comments from Third Reading on this measure in opposition submitted in the Journal," and the Chair "so ordered." (By reference only.)

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

"On Conference Report No. 120, I wanted to note my opposition. It's similar to other bills, and basically this bill would restrict the Governor's ability to appoint who she believes is qualified on the Teacher Standards Board, a restriction that no other Governor before her had."

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

"Mr. Speaker, I'm rising in opposition to that same measure. While this legislation claims that it is making clarifying changes to the nomination process of members to the Hawaii Teacher Standards Board, in reality it makes a significant change by limiting organizations that may nominate candidates as members on the Board to the Hawaii State Teachers Association union and the Hawaii Association of Independent Schools.

"This bill came about due to a dispute with the Senate Higher Education Committee and the Governor over the nomination of individuals to the Hawaii Teacher Standards Board. The Governor nominated individuals who were recommended by such organizations as the Charter School Network, School Community Councils, and the PTSAs. However the Chair of Education in the Senate believed the Governor was limited to names submitted by the HSTA. But the Attorney General came back with an opinion that said that she could use the names from the other organizations. As a result Mr. Speaker, this Legislation came about to limit the organizations that can submit names to the Governor.

"I have additional remarks that I will ask that I be able to insert in the Journal. Thank you."

Representative Meyer's written remarks are as follows:

"Mr. Speaker, I rise in opposition of this measure.

"Hawaii Teacher Standards Board was established to prescribe certification standards for public school teachers. The Board's membership includes licensed teachers and education officers (or school administrators including principals, vice-principals and professional employees), public charter schools, employed teachers and school administrators. Efforts to limit the organizations that can nominate Hawaii Teacher Standards Board members would do a disservice to the Board, to teachers and students, to the community, and to the various organizations that represent the teaching profession in Hawaii.

"Education is changing. Our school community has grown to encompass not only public schools, but private independent schools, parochial schools, charter schools, e-schools, and home schools. Given these changes, it is incumbent to ensure there are persons on the Hawaii Teacher Standards Board to represent the array of education organizations in Hawaii today. The Standards Board needs to adjust to the times.

"Instead of recognizing these changes and going forward, this legislation goes backwards by ensuring the board will be dominated by a public employee perspective, as opposed to a balanced spectrum of members with an interest in public education and expertise that would provide valuable contributions to Board deliberations. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2663, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII TEACHER STANDARDS BOARD," passed Final Reading by a vote of 43 ayes to 3 noes, with Representatives Finnegan, Meyer and Pine voting no, and with Representatives Cabanilla, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 122-08 and S.B. No. 2041, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2041, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Magaoay's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of SB 2041, HD1, CD1. Mr. Speaker,

"Approximately 80% of Hawaii's businesses are small with less than 20 employees, and these businesses in our community work to improve our State's economic climate fostering positive action on issues of common business concerns and health issues.

"This measure that we have before us appropriates funds to match federal funding for the disproportionate share of the hospital allowances.

"Quality healthcare is critical to the people and economy of Hawaii. As one of the largest private industries in Hawaii, the healthcare industry plays an important role in our economy, particularly through attractive, well-paying jobs and through the purchase of goods and services that contribute to our State's economy. As such, the healthcare industry plays a crucial role in the economic development and sustainability of our State and all of Hawaii's businesses. Also, Hawaii's healthcare system provides quality care for our families and serves to attract and retain a professional workforce, new companies, and even tourists to our state.

"However, the quality healthcare that Hawaii has enjoyed for years in now in jeopardy. It is on the verge of declining because healthcare providers are no longer being paid for essential services at a level sufficient to cover annually increasing costs. The healthcare system must be maintained and challenges must be addressed.

"Mr. Speaker, I urge the passage of this measure and I also ask my colleagues to do the same that will improve the quality of our healthcare system, legislation that will improve payments to healthcare providers of essential healthcare services and increase long-term care capacity and access statewide. Appropriating funds to match the federal funding which will give our state more "bang

for the buck" for the disproportionate share is the first step in the right direction to ameliorate the current state of healthcare in Hawaii. Thank you, Mr. Speaker."

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

Representative Belatti's written remarks are as follows:

"I rise in strong support of Senate Bill 2041 which provides a \$5,774,340.00 appropriation of State general funds for hospitals to cover the actual costs of the care provided to uninsured residents in our State. These funds are required as a match to the \$7,500,000.00 that has been secured by our federal congressional delegation. Combined, this funding will provide continuing healthcare to communities statewide at a time when rising healthcare costs is a concern to so many. I support Senate Bill 2041 as an expression of our commitment to ensuring that access to quality healthcare is available to our residents."

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

Representative Mizuno's written remarks are as follows:

"Mr. Speaker, I stand in support of SB2041, HD1, CD1.

"The purpose of this Act is to meet rising healthcare costs and to ensure that Hawaii residents have continued access to quality health care by appropriating funds for the State's portion of the federal disproportionate share hospital allowance.

"Providing health care to our State's most vulnerable population has always been a paramount concern for all of us. To ensure the delivery of these basic healthcare services, funding is necessary. In so doing, State funds are needed to match the federal Medicaid disproportionate hospital appropriation of \$7,500,000. For this, I support the appropriation of the amount of approximately \$5,777,340 out of the general revenues of the State of Hawaii which represents the State's portion of the federal disproportionate share hospital allowance.

"Today we are spending general revenue funds for a most worthy cause, to provide healthcare for the people of Hawaii.

"I urge members to support this measure, because I believe healthcare should be a right and not a privilege. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support with real brief spoken comments. This is a bill that appropriates \$5.7 million of State money, and has a match of \$7.5 million in federal money. It will go a long way to stabilize our healthcare system and support our hospitals in need. Thank you, Mr. Speaker."

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 in support of Senate Bill No. 2041, House Draft 1, Conference Draft 1, Relating to Health. This measure would help to alleviate reimbursement shortfalls sustained by Hawaii hospitals that treat Medicaid and Med-Quest patients by appropriating \$5,774,340 as the State match necessary to secure \$7,500,000 worth of federal funding. Senator Daniel K. Akaka deserves much credit for obtaining the federal funding for Hawaii.

Support for this measure has come from the Queen's Medical Center, Hawaii Pacific Health, Kaiser Permanente Hawaii, Healthcare Association of Hawaii, the Chamber of Commerce of Hawaii, and Rehabilitation Services of Hawaii.

"It has been estimated by Hawaii Pacific Health that Hawaii hospitals lose 20 cents on every \$1.00 spent to provide care for a Med-Quest patient and 21 cents on every \$1.00 spent to provide care for a Medicare patient. As such, this combined \$13,274,340 worth of funding for Hawaii's hospitals will do much to supplement ultimately inadequate Medicaid and Medicare reimbursements and help ensure our hospitals' ability to care for the needy residents of our State. Increasing reimbursements also address one of the reason doctors are leaving the State or leaving rural community practices.

"I urge everyone's support."

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

"Mr. Speaker, in strong support and would like to thank the Chair of Finance as this was one that the measures that the Finance Committee was looking at and wondering if they had enough money for. It is very important. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2041, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 46 ayes, with Representatives Cabanilla, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 123-08 and S.B. No. 1526, SD 2, HD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 1526, SD 2, HD 3, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising to speak against this bill. This bill would actually permit administrators' salaries in the Judiciary to be higher than the Governor's salary. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1526, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO JUDICIARY," passed Final Reading by a vote of 45 ayes to 1 no, with Representative Thielen voting no, and with Representatives Cabanilla, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 124-08 and S.B. No. 2218, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2218, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Mizuno's written remarks are as follows:

"In support of SB2218, SD1, HD2, CD1.

"We recently had the murder/suicide that has rocked our community. Janel Tupuola, 29 year old, was bludgeoned to death by the butt of a shotgun on January 16, 2008.

"This bill provides enhanced protections for victims of domestic abuse by clarifying court-defined geographic exclusionary zones and to order the defendant to wear a global satellite tracking device. The court may order the defendant to pay the monthly costs or portion thereof for the electronic monitoring.

"It's true the appropriation section was deleted in this measure. If the defendant is indigent, the court may have to seriously consider not ordering the defendant to wear the tracking device.

"If we can identify major points to deal with now and work with our departments and law enforcement agencies on effective solutions, then I think we will at least be moving forward and in the right direction. On the other hand, to do nothing would simply be unacceptable."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2218, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC MONITORING," passed Final Reading by a vote of 46 ayes, with Representatives Cabanilla, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 126-08 and H.B. No. 3178, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 3178, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL PENALTIES FOR VIOLATIONS ON PUBLIC LANDS," passed Final Reading by a vote of 46 ayes, with Representatives Cabanilla, Nakasone, Sagum, Saiki and Takai being excused.

Conf. Com. Rep. No. 127-08 and H.B. No. 2438, HD 2, SD 2, CD 1:

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the report of the Committee was adopted and H.B. No. 2438, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIGARETTES," passed Final Reading by a vote of 46 ayes, with Representatives Cabanilla, Nakasone, Sagum, Saiki and Takai being excused.

At 3:59 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2663, SD 2, HD 2, CD 1
 S.B. No. 2041, HD 1, CD 1
 S.B. No. 1526, SD 2, HD 3, CD 1
 S.B. No. 2218, SD 1, HD 2, CD 1
 H.B. No. 3178, SD 2, CD 1
 H.B. No. 2438, HD 2, SD 2, CD 1

At 3:59 o'clock p.m., the Chair declared a recess, subject to the call of the Chair.

The House of Representatives reconvened at 3:59 o'clock p.m.

Conf. Com. Rep. No. 129-08 and H.B. No. 2978, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2978, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you very much, Mr. Speaker. I'm rising in opposition to this measure. This is the bill dealing with the University of Hawaii budgeting. For starters, I find this measure is duplicative of work already underway by the University. The University of Hawaii is already working on developing a long-term financial plan that includes base operating funds, CIP funding, and incentive performance funding linked to measurable outcomes. They have even reported on their efforts and have posted these reports online for all to see.

"A troublesome aspect of this measure is the establishment of a task force to assist the University in developing a budgetary system and a funding formula. This formula is to be linked to the enrollment of full-time equivalent students at each campus and the assignment of different weights in recognition of the very costs in revenues relating to educating different categories of students. The stated purpose for this is to ensure an equitable, consistent and responsible funding formula for the distribution of fiscal resources to the various University of Hawaii campuses.

"Mr. Speaker, it appears to me that we are asking for the creation of a weighted student formula for the University of Hawaii. We still have not ironed out all the difficulties with the weighted student formula in the DOE and it's been something like four or five years. Why would we want to transfer it to the University of Hawaii?"

"Moreover, it appears to be encroaching on the University of Hawaii's autonomy. The University has their own budget. Why do we have Regents if we have to pass legislation like this? Thank you."

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

"Thank you. On the same measure, in support. I just wanted to provide a different perspective to the Representative that just spoke and tell her my reasons for supporting this effort to assist the University in helping them come up with a funding formula.

"In 1995 when we came into Session Mr. Speaker, our economy was in the dumps. In fact the University, from my perspective, 'took it on the chin' when we passed Act 161, which gave the University our first attempt at a funding formula but at the same time gave the University the opportunity to raise and keep it's own tuition funds for the first time ever. So we have a situation now where our University system not only depends on general funds from the Legislature, and the Executive Branch from the Governor, but it also depends on tuition revenues from its students. It's a far cry different from the DOE system where the weighted student formula is specifically based on the general fund support from the State.

"I think the reason why this is critical is because when the State, not if, but when the State enters into a downturn in the economy, we need to be prudent on our side and we need to provide a commitment to the University so that they know where their funding levels will be despite downturns in the economy. They don't want to, and I don't want to see a repeat of the late 1990s when on the one hand, we decreased general fund support, and on the other hand they increased significantly the tuition charged to students.

"So I think this is a good step forward. It is nothing new. In fact, we have learned that the university systems in California have a funding formula, and there are other university systems throughout the nation that have funding formulas. I think it's high time that we in Hawaii, working with the University of Hawaii system, come up with a funding formula that both they and we can agree on. 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. 2978, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Marumoto and Meyer voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 130-08 and H.B. No. 2972, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2972, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I am in support with reservations. It is with reluctance that I support this, but it does seem to me that if the Board of Education isn't going to do anything, then sooner or later somebody needs to. Mahalo."

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

"Thank you Mr. Speaker, I would like to have a no vote cast for me against this bill. Mr. Speaker, what this bill ultimately will do is result in the closing of schools with smaller student populations. Mr. Speaker, I think study after study, at least for the elementary school level, have shown that if your school is smaller, if you have a smaller student population in elementary school, your students will do better. This bill takes the approach that if there's a small student population then we'll close it and put those students into another school.

"You'll find elementary schools with up to 1,000 students. That's the size of some small colleges, and the students don't do as well. Then the school struggles to have a school within a school, and that really is a bit convoluted. I don't think this is a good way to go. I think we shouldn't say that small is bad. I think we should say that small in education can really result in well-educated students."

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

"Thank you, Mr. Speaker. I am in very strong support. If you look at my district, no legislator is going to say, 'I think we ought to close Hookena School. If you look at my district where you have 40 miles between Naalehu School and Hookena School, and so you have kindergarten students going 30 miles to school. Then you have another school five miles later, and another school another five miles. We need a complete realignment of all of the schools in my district to make sure that as the population shift changes, that we change the schools with them. Ka'u High School for example, is probably way over-built. Naalehu School is way under-built.

"So I think it's not a matter of how many students are in the school. I think it's a matter of where the schools are in relation to the population. So I'm in strong support."

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

"Thank you very much, Mr. Speaker. I am in support. To address the concern expressed by the Representative from the Windward side, I guess it's sort of like answering the existentialist question: What is small? There is small, and there is tiny. Most schools are built for 400 students, and have only 67 students.

"Study after study has shown that there is an optimum size for elementary, middle and high schools, but some of these schools are very small. Besides the fact that if you were to design small schools in our State, you would do it in a very deliberate, conscious manner.

"For example if I could wave a magic wand, I would design smaller schools in Kalihi, or Waimanalo, or the Leeward Coast, because we know that that would have the biggest impact in that constituency group. You wouldn't necessarily build really small, really tiny schools in very affluent communities.

"Secondly, we're presupposing what the Alignment Commission will come up with. I say give it a chance, and we'll see, for those of us who are here in the 2011 Session, what they come up with. Thank you, Mr. Speaker."

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

"Mr. Speaker, unfortunately I will vote against this measure. I am not opposed to an Alignment Commission. I think it might be necessary or possibly necessary, but if there is an appointment to be made, it should be made by the Board of Education and not by this body. We have a habit of continuing to micromanage the Department of Education. I believe we should turn this responsibility to them. It should be their responsibility. If they feel that they're not capable of closing the schools down, or merging the schools, then they themselves should be calling for a task force and not this body. Thank you, very much."

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

"Thank you, Mr. Speaker. I rise in support. I just wanted to comment on the fact that the school size doesn't necessarily mean that the students are going to do better. I'd like to cite Mililani Ike School in Mililani Mauka which has 1,200 students, and sits at the very top in terms of test results. So there are a lot of factors that affect this as the Chair of Education said, and I think it needs to be handled on a one-by-one basis. Thank you."

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

"Thank you, Mr. Speaker. I am in support with some minor reservations. I do think that when we consider closing schools, we do have to understand that these are parts of the larger urban or residential community, and what is in a population right now in this decade may change. So I ask that the words of the Representative of Kailua be entered as my own."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2972, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives McKelvey, Souki, Takamine and Thielen voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 132-08 and H.B. No. 661, HD 1, SD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 661, HD 1, SD 3, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you Mr. Speaker. I support with some very serious concerns. Philosophically, you can say, 'Isn't this wonderful. We're

going to have public funding for elections. We're going to take politics out of it. We're going to take the contributors out of it.' But the problem with the Hawaii County Council is that each member has a 'slush fund' of \$300,000 per year, each of them. That's \$2,700,000 per year, that they can go out and buy votes with.

"Mr. Speaker, you remember that in the old days, Senators had \$1 million here, and the Representatives had \$500,000. But those monies had to be released by the Governor. Not the case of the Hawaii County Council. A lot of us have faced this. Someone in the community said, 'Why aren't you supporting this project because the Chair of the Hawaii County Council gave us \$10,000.' In my own case, I had the seniors at Pahala asking if I could contribute to buy a pool table for them. I said that I was limited under the Campaign Spending rules about what I can send them. I sent a check for \$100 and they sent it back to me and said, 'Don't worry about it. The Councilmember is going to pay for the whole thing.'

"And then you take the Senator from the First District who's running for Mayor against two Council members. They're \$600,000 ahead of her in just less than one year. So what I say is, if they believe philosophically in cleaning up the rich, they should instead be cleaning up their own act."

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

"Thank you, Mr. Speaker. I rise in strong support with a brief comment. I really respect the comments of the previous speaker, and I think that is a good caution to all clean or good government advocates, to realize that any kind of reform is not the end all and be all of assuring good government. However, I do believe that this bill was a long time in the making.

"Mr. Speaker, I can remember I think over almost 10 years ago, when I was sitting on the Campaign Spending Commission and we were talking about this very reform. It is a very good day for me to see this come to fruition and I really appreciate the approach that is being taken by both the House and the Senate in adopting a pilot program so we can see if comprehensive public financing will truly work and if it will not break the bank.

"With that said, one other thing I'd like to comment on is that something I've learned over the past two years is that legislation is a lot about compromise. I will acknowledge that there are some things in this bill that I don't like, but I think in the effort of advancing good bills, and again good legislation is about compromise. I appreciate the work that was done on this bill by the Members of the Conference Committee, by the Judiciary Chair, and by the Members of this House. Thank you, Mr. Speaker."

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

"Mr. Speaker, I came into this Chamber in support of this bill and we're often accused of having our minds made up and our votes made up prior to the voting. But what I've heard on the Floor is rather disturbing in regard to are we being set up to support a 'slush fund'. I really have been very surprised by the fact that there's \$300,000 under the incumbents' control of which if we're going to give more public money to more incumbents to get more ingrained, rather than encouraging those on the outside. Or perhaps I've misunderstood, but I find this very alarming, what this 'pilot', this exemplary County of Hawaii is doing with this particular bill. So I hope those from the Big Island will enlighten us colleagues who are not from the Big Island. Thank you."

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

"Mr. Speaker, I'm rising in opposition to this measure. For starters the Hawaii Constitution, Article II, Section 5, only permits

partial public financing. This program provides for full public financing, which the Constitution does not authorize. The present Director of the Campaign Spending Office is not in favor of this bill. There are parts of it she is for. Some of the higher penalties that people don't report, just for that, but comprehensive public financing she does not support.

"And doubling the amount of community contributions, she is opposed to. I mean, part of the argument for public funding is that theoretically, people that give you money are buying influence. Well, if you're doubling the community contributions, of course I guess if they're your constituents, you should listen to them, and of course we do. But I don't just listen to the people that donate to my campaign. They're my constituents and they're number one. I think that if we're going to make the public pay to the tune of about \$300,000, not everybody in the public would want to support those Council people on the Big Island. This money is not coming from the Big Island. It's coming from all over the State. So I think that given what the Constitution says now, we really, before we pass a bill like this, we should change Article II, Section 5, and talk about total public funding. Thank you."

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

"Mr. Speaker, I rise in support. I just wanted to clarify I think one of the characterizations about the Constitution. The Constitution in Article II, Section 5 says, 'The Legislature shall establish a campaign fund to be used for partial public funding or financing of campaigns for public office of the State and its political subdivisions as provided by law.' All that says is that we shall provide for a partial public funding system, which has been done already. But just because it says what shall be done as the directive, that nowhere, anywhere does that prohibit another program from being created. According to that, construed or very misguided interpretation of the Constitution, we only would be able pass laws that are specifically stated in the Constitution. That's not what the Constitution is about. The Constitution gives us a directive, gives us a floor, and that is what we have to follow. But the Legislature is still the one that determines public policy, and so that is what we're doing in House Bill 661.

"I think the advocates have done a very, very good job in terms of garnering the support of the Big Island County Council and passing the resolution with some overwhelming support to demonstrate that they want to take on this pilot project and this endeavor. And given that willingness, and the unwillingness as we've seen in our own Legislature to do it, I think this is a great place to start and it's for those reasons that I support this bill. Thank you."

Representative Belatti rose to respond, stating:

"Thank you, Mr. Speaker. In brief rebuttal. I think that this bill will pass Constitutional muster. If you look at the details of the bill, there is a process whereby candidates have to receive qualifying contributions in order to qualify for the comprehensive public financing. So it is in fact a partial public financing system because the candidates rely on other donations. Thank you, Mr. Speaker."

Representative Meyer rose to respond, stating:

"Thank you, Mr. Speaker. I have just a few other things I want to bring out. It's like we're going to pass this public funding when we're not sure we can afford it. The public has not weighed in on this issue. According to Guidestar.org, a nonprofit report, Clean Elections is composed of about 6 to 10 people. Clean Elections points to successes at increasing the number of candidates in Maine, Connecticut and Arizona. Maine does not have enough money for its 2010 Clean Elections and is asking for an appropriation. Connecticut's budget was \$15 million in 2006, \$30 million in 2007 and projected at \$45 million in 2008. And they had

to increase their staff from 7 to 27 because of the increase in candidates and thus the need for more auditors and other staff. Arizona's 2008 budget was \$40 million. Clean elections programs in Massachusetts and Kentucky have ended due to the cost; they couldn't afford it. We currently have \$5.4 million in the Hawaii Election Campaign Fund and about \$190,000 to \$200,000 coming from the tax check-off. The whole point of this I think it should go before the voters because this could turn into a very expensive program and the public is not weighing in. Thank you."

Representative Tokioka 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 the report of the Committee was adopted and H.B. No. 661, HD 1, SD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Meyer voting no, and with Representative Nakasone being excused.

Conf. Com. Rep. No. 138-08 and H.B. No. 2739, HD 1, SD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that H.B. No. 2739, HD 1, SD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I rise in strong support of Conference Committee Report No. 138, House Bill 2739, HD 1, SD 2, CD 1. Mr. Speaker, Enterprise Zones are a valid means to stimulate growth in frontier economies. In recent years, the Legislature has sought to provide stimulus through this tool in areas such as Kapolei. Kapolei, the New City and relief district for urban pressure, has been given Enterprise Zone status with the intent of nurturing such growth. Although well-intentioned, some of the provisions of the Enterprise Zones designations have proved cumbersome in some instances and discouraging in others.

"The current law provides for a mandatory 10 percent increase in workforce to qualify for the declining tax credit. With our low unemployment rate and extensive background reviews in mind, this bill will allow a 3 year respite from the workforce increase requirement. This bill will give young businesses and satellite offices of established businesses the time they need to get on their feet and find qualified employees. In keeping with the intent of the original legislation beyond the 3 initial years, a business will be asked to provide proof of workforce increase at a more significant level, namely 15 percent. As such, this measure will continue to create the jobs Enterprise Zones were designed for while providing businesses with a time incentive to invest in these zones.

"Finally, I want to thank the Chair of the Committee on Economic Development and Business Concerns for taking the initiative to amend the State Enterprise Zone law to make it more palatable with the hope that it will achieve its intended objective. Thank you, Mr. Speaker."

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

Representative Magaoay's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of HB 2739, HD1, SD2, CD1. Mr. Speaker, the measure we have before us amends the eligibility requirements of an Enterprise Zone to include the processing of agricultural products. It should be remembered that in recent years, the type of businesses that have been included to receive Enterprise Zone benefits include: call

centers of disease management services; sale of wind farms generated electricity sold to a public utility; and research, development and sale of genetically engineered medical, agricultural, or maritime biotechnology. The proposed measure would be singling out another business for preferential treatment merely conferring preferences for those businesses at the expense of all other taxpayers.

"It should be remembered that Enterprise Zones merely exacerbate what is already considered a poor climate in which to do business. Singling out specific areas of the State merely confers preferences for those businesses located within those geographic areas at the expense of all other taxpayers who are not so favored. It should be remembered that those taxpayers who live and work in the Zone will demand the same public services as those who are not as fortunate to be located in the zone. Who then will pay for these services?

"Concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses. Enterprise zones are merely an abdication of government's responsibility to create a nurturing and supportive business climate so that all businesses can thrive in Hawaii and provide the jobs the people of Hawaii need.

"Finally Mr. Speaker, while Hawaii has had the Enterprise Zone concept on the books for years, no evaluation of how effective these Zones have been in improving the well-being of those communities on which this status has been conferred. Before further corrupting the economic marketplace with added versions of the Enterprise Zone concept, an evaluation of the current Zones should be undertaken. Instead of expanding the Enterprise Zone program, the program should be repealed in favor of across-the-board tax relief for all businesses in Hawaii. 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. 2739, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 152-08 and S.B. No. 2878, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2878, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I stand in strong support on Senate Bill 2878, SD 2, HD 2, CD 1. I rise in strong support of this legislation. Early childhood education experts say that the earlier children begin learning, the better they perform once they reach kindergarten. They also say that early education reduces drop out rates, boosts test scores and ensures success beyond school. I would like to congratulate the people who helped make this possible because they deserve our kudos. This truly important piece of legislation that we're passing today, although it has budgetary limitations which limited our ability to fully get this program started, is still very important because it gives us a starting point, it gives us a direction to follow that will help us to institute a high quality education system.

"In the words of Bob Peters, the Co-Chairman of the Legislature's Early Learning Education Task Force and head of Hanahaouli Schools, he says, 'We knew it was going to be difficult for the kind of funding we would like to have, but the establishment of the Early Learning Council is key to taking the First Step Program and this will begin the creation of the system.

"Right now, 80 percent of our current public school kindergarten classes do not have most of their students displaying the necessary skills within the first month of kindergarten. In the words of Bob Midkiff of the Good Beginnings Alliance, that is why we need to make a stand now. Forty other states already have some type of publically-funded early childhood education program in their state and now it's time for Hawaii to join them in educating our youngest students. Early childhood education is so important and we want to ensure that we have a quality system, and that the money goes toward technical assistance for those programs that need to increase the education of their teachers and associate teachers, says the interim of Good Beginnings Alliance.

"Mr. Speaker, I look forward to having this Council continue their good, and I really hope that they will continue to consider the contributions of the private school educators because here in Hawaii we have the highest rate of people who send their kids to private school. And so we hope that the standards will continue to be high because that's what our children deserve. Thank you, Mr. Speaker."

Representative Mizuno 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 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 SB 2878 CD1. This bill culminates four years of dedicated work by your Majority Members and the Chair and Vice Chair of the Education Committee to establish the statutory framework for an early learning system in the State of Hawaii.

"When we reflect back at how this measure was conceived, we must turn back two years and to the Regular Session of 2005, where the freshmen Democrats, Rep. Pono Chong, Rep. Lyla Berg, Rep. Clift Tsuji, Rep. Mele Carroll, Rep. Ryan Yamane, Rep. Kyle Yamashita, Rep. Kam Tanaka, Rep. Rida Cabanilla, and Rep. Josh Green included House Bill No. 1300 as part of the Majority Package for that year. It is their foresight and deliberation that set us on the path that brings us to where we are today. That bill, which was enacted as Act 151, Session Laws of Hawaii 2005, established an early childhood education task force to:

- (1) Develop a framework to increase access to early childhood education;
- (2) Improve the quality of early childhood learning programs;
- (3) Support the professional development of early childhood educators and service providers;
- (4) Educate families about the value of early childhood education; and
- (5) Identify funding mechanisms to appropriately compensate early childhood educators.

"With the assistance of the Hawaii Educational Policy Center, and under the guidance of the House and Senate Education Committees, the Task Force developed recommendations on the provision of high-quality learning opportunities for children from birth to age 5, the age in which children enter kindergarten.

"The recommendations offered, though costly, envisioned a system in which every child would have access to educational and human services that would allow them to reach their full potential. Given our limitations in fiscal resources, we are not able to implement these recommendations in their entirety. I do believe, however, that the bill before us goes far toward asserting this noble public policy.

"Mr. Speaker, Senate Bill No. 2878, Conference Draft 1, asserts the same principles which your Majority Members have long held dear – ambitious beliefs that we can create a better way of life for our people.

"When we first embarked on this 2008 Regular Session, the Majority Leader and my colleague from Waipahu reminded us all of the words of Senator Nadao Yoshinaga – that we must not be afraid to dream big. Mr. Speaker, with the bill before us, I believe your Majority Members are bravely looking toward a better and brighter future, the same way our predecessors did when they enacted the Prepaid Health Care Act, or comprehensive workers compensation reform, or preserved a woman's right to choose.

"As a member of your Majority, Mr. Speaker, I am proud to support this bill and commend the Majority Leader, and the Chair and Vice Chair of your Education Committee for successfully shepherding this important bill through the legislative process.

"I respectfully urge my colleagues to support this important measure. Thank you."

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

Representative Takumi's written remarks are as follows:

"I stand in support of SB2878. Hawaii is now one of the last states in the nation to design and implement an early learning system. However, it is never too late to begin and we can only benefit from lessons learned and best practices developed in other states.

"The research is compelling; children who attend preschool or other early education programs have better cognitive, verbal and social development and enter kindergarten better prepared. They are also less likely to exhibit later delinquency and antisocial behavior, tend to demonstrate higher levels of school achievement and better social adjustment, and are more likely to graduate from high school. A recent study on the Oklahoma universal pre-K program (available to all 4-year-olds) in 2003 showed that low-income students improved test scores 26 percent, with Hispanic students having the greatest improvement with a gain of 54 percent.

"Economically, investing in human capital yields greater long-term benefits than any tax credit or subsidy that we typically hand out to developers and businesses. The Federal Reserve Bank of Minneapolis published a report in December 2004 that asserts there is an extraordinary public return on investing in early childhood development. One study cited showed that the total benefit cost-ratio was \$17 for every dollar invested. In other words, funds that go into establishing these programs ultimately prove to be an investment as savings amassed from a reduction in crime and welfare payments and an increase in economic productivity.

"The measure before us will establish an Early Learning Council (ELC). The ELC will develop the Keiki First Steps program to create a coherent, comprehensive, and sustainable early learning system that ensures a continuum of quality early learning opportunities for young children from birth to age five. As recommended by the Act 259 Task Force, the Keiki First Steps program will have the components of a high-quality program and will be flexible to family choice and cultural elements.

"The goal of the Keiki First Steps program is to be universally accessible. In its beginning phases, the program will focus on all 3- and 4-year old children, giving priority to "at-risk", under-served, low-income, and other high-risk families. Initially, the program will strive to serve those from families with gross income not exceeding 250 percent of the Federal Poverty Level (FPL). In

Hawaii, this would mean a family of four would qualify if their gross income does not exceed \$59,375 a year.

"Investing in early childhood education makes good education sense, good economic sense and good policy sense."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2878, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EARLY LEARNING," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 155-08 and S.B. No. 2830, SD 2, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2830, SD 2, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. On this measure, in strong support and written comments in the Journal. But personally I'd like to thank you Mr. Speaker, and also the Finance Chair, and also both sides for assisting in this worthwhile measure. Thank you."

Representative Magaoy's written remarks are as follows:

"Thank you, Mr. Speaker. Mr. Speaker, I rise in support of SB 2830, SD2, HD2, CD1.

"Mr. Speaker, the measure we have before us addresses the increase of reimbursement rates for domiciliary care provided in licensed developmental disabilities domiciliary homes, community care foster family homes, certified adult foster homes, and adult residential care homes.

"At present, Level I caregivers provide 24/7 care, 365 days a year for a flat-rate of \$1,200 per month, which calculates to approximately \$42 per day or \$1.67 per hour. The plight of caregivers covered by this bill can be characterized as deplorable.

"The skyrocketing costs of providing care to the elderly and disabled make it nearly impossible to operate. Caregivers must pay their mortgage for their homes, most of which are used by the residents. Caregivers must also pay for electricity, water, and sewer costs that residents use; for property taxes, general excise taxes, and income taxes; for food and kitchen services, bathrooms, and laundry supplies consumed by residents; for their cars and gasoline used to bring their residents to the doctor; for the insurance they are required to carry; for any entertainment they are expected to provide their residents. How do you stretch \$1.67 for all of these costs and still make a living?

"This dire situation forces caregivers to live by their wits having to fend for their own health insurance, retirement savings, and other fringe benefits employees sometimes take for granted. Many cannot afford to purchase medical insurance for their family, which now averages \$1,000 per month. Ironically, the residents who they care for have medical insurance provided free of cost courtesy of the government.

"Caregivers have little or no privacy and must make financial sacrifices to even leave their own homes. 24-hour care literally means 24-hour care. To even leave their homes, caregivers must use part of the \$1.67 per hour they earn to pay substitutes who earn an average of \$10 per hour. Caregivers have no vacation, no sick leave, funeral leave, jury leave or any other fringe benefits. And we wonder why almost all caregivers are immigrants and/or elderly. And we wonder why no students in our schools today are saying, "I want to grow up to be a care home operator."

"Notwithstanding the lack of financial incentives, caregivers tirelessly provide personalized virtual one-on-one, hands-on care to their residents. On a daily basis, caregivers prepare menus and cook meals for their residents that are mandated by the State; they clean the house so that they can meet stringent standards of cleanliness; they bathe their residents; they help residents use the bathroom; they dress their residents; they take their residents to medical appointments; they make sure that residents take their medicine; they do the laundry soiled by their residents; and after all this, they entertain their residents and help their residents preserve their dignity by giving them the feeling that they still belong in the community.

"Sadly, even after caregivers take their residents in and treat them as members of their own family, residents sometimes become combative and verbally abusive to their caregivers. Some of them hit or spit at their caregivers. At the same time, the State hovers over the caregivers looking for any sign of abuse or neglect. When a resident loses weight, the State accuses caregivers of not feeding their residents. When a resident gains weight, the State screams improper nutrition. Little do people realize that caregivers comprise an integral part of Hawaii's healthcare system. In hospital terminology, HCCG's members have a total of about 4,000 "beds". What happens if these beds vanished because caregivers could no longer operate making \$1.67 per hour? Where would these residents go? What would the State do? Should the State send them to nursing homes that charge an average of \$7,000 per month per resident as opposed to \$1,200 in a care home? Who would pay for this?

"A 7% raise would bring Type I hourly rates to \$1.78 per hour as opposed to \$1.67, far short of minimum wage, which is now \$7.25 per hour. Nevertheless, 7% would go a long way to encouraging caregivers to continue to provide a service which the State cannot go without. It would be the first step in ensuring this industry survives. Some may say, caregivers got a \$1.00/month raise a few years ago. Prior to 2006, however, caregivers did not receive a raise for about 10 years. Others may cite the shrinking State budget.

"Sometimes, however, we must make difficult choices by looking at the necessity and value of the service caregivers provide relative to other competing interests. HCCG urges lawmakers to make the policy decision that will show the care giving industry that lawmakers value their services and that they care about providing home and community based care to the elderly and disabled. Hospitals and nursing homes do not have the capacity.

"Food for thought Mr. Speaker: We will all grow old at some point. Where will we go? Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I stand in strong support for Conference Committee Report 155-08. Mr. Speaker, by the year of 2020, one in four individuals will be age 60 years or older in Hawaii. Caregiving now has become such a critical element in our healthcare system. Our caregivers are essential to our *kupuna* and our disabled. So important are caregivers that the Director of the State Executive Office on Aging has stated that, 'Caregivers are the backbone of our long-term care system. Caregivers in Hawaii should be recognized, supported and valued by the community.'

"This measure provides funding for the Kupuna Care Program and a pay increase to our care home operators. These care home operators include adult residential care homes, licensed developmental disability homes, community care foster homes, and certified adult foster homes. This also helps address a very important issue that's hurting our State hospitals, Mr. Speaker. There is no dispute that our hospitals in Hawaii are losing approximately \$90 million annually because they have an acute

care bed shortage. This means that on any given day there is a shortage of acute bed care space of between 200 and 275 in hospitals, statewide. The cause is that many of these patients in acute care bed spaces are medically ready to leave the hospital, but they don't have a place to go, Mr. Speaker.

"Furthermore many of these patients who are medically ready to transfer out of acute care bed space have nowhere to go. The terrible thing about it Mr. Speaker, is that many of these patients are then transferred to the mainland. They're shipped off like cattle. As a state we should not condone this practice of sending our people, our *kupuna* and our disabled, to the mainland. This is the solution, to allow those patients who are medically ready to transfer out of acute care from our hospitals to move to a care home or care home setting, with requisite skill level for their needs.

"According to the Hawaii Coalition of Care Givers, 800 bed spaces await them. These 800 bed spaces will easily meet the demand of those 200 or 275 acute care patients that are medically ready to leave our hospitals. Again, this also addresses three important issues. This will save the State hospitals money. We're talking again, maybe a sum of about \$90 million a year. In addition, this will allow our *kupuna* and our disabled to reside in a community home setting compared to an institution. And finally this will stop the practice of sending our *kupuna* or disabled to the mainland.

"The appropriation amount in this bill is \$289,000 for the pay increases of our care home operators, however its impact is greater than any monetary sum because this measure has empowered our care home operators and provides a firm commitment that the State of Hawaii recognizes and supports their hard work. May the Journal reflect the steadfast commitment by Mila Medallon who represented the care home operators and became a fixture at the Capitol in the final week of Conference. She truly was part of the legislative process. When I asked Ms. Medallon why she's doing this because she doesn't even own a care home in Hawaii, her reply was simply because it's the right thing to do. Her fingerprints are on this bill.

"I would also like to thank the House Chairs of the Health and the Human Services Committees for their support, the caregivers' pay raise, and for the Senate. I respectfully note the support we received when the Senate Chair of Human Services and approval of the WAM Chair for this measure.

"Finally, I want to thank you Mr. Speaker, you and the Chair of our Finance Committee, because we needed and we received more support and approval which allowed the care home operators to secure their pay increase in this bill. Please know that both your and the Finance Chair's support has reached throughout the community, not only for care home operators, but for the care of *kupuna*, for the care of our disabled, and to reduce the millions of dollars expended by hospitals in our State given the acute care bed shortage issue. Thank you, Mr. Speaker."

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

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

Representative Pine rose in support of the measure and asked that the remarks of Representative Mizuno 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:

"I rise in support of this measure. Mr. Speaker, family caregiving is a complex issue that is just beginning to be addressed and that's essentially what this bill is about. Although I know we passed some important amendments to the bill to provide a pay raise for care home operators, the bill really is about the family caregiver and the Joint Legislative Committee on Family Caregiving. By extending the term of the Joint Legislative Committee on Family Caregiving, which is the major part of this bill, as well as renaming the Committee as a Joint Legislative Committee on Aging in Place, we will continue to study the issue and make recommended changes in public policy for the future.

"The Joint Legislative Committee was created in 2007 when it became apparent there was growing need for greater support to family caregivers. This bill will help us to refine the many proposals needed to keep caregivers doing what they are doing for their own family members at home. These caregivers are a tremendous economic asset to this State. These are unpaid caregivers. The \$500,000 appropriated to expand the *kupuna* care program will help the families on the waiting list for *kupuna* care. But family caregivers can't do it all alone. They need help and support. Despite the appropriation for *kupuna* care, many will still seek the services offered by homecare agencies which provide respite, chore and bath services. However, these agencies will remain unlicensed for now, despite legislation which passed out this year and then disappeared. Families need the assurances they are dealing with legitimate, safe and professional workers before they entrust their loved ones into their care. Let's hope this measure will be revived and passed next Session.

"I'm looking forward to working on the Joint Legislative Committee in the coming year and to help our family caregivers and our paid caregivers help care for our *kupuna* into the future. Thank you."

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

"Thank you, Mr. Speaker. I rise in strong support with brief comments. I want to really commend the previous speaker on how she has taken leadership of the Joint Legislative Committee and, along with Senate counterparts, shepherded some important pieces of policy through the legislative process. I think the care with which they engaged the advocates in the community, the care with which they talked to the service providers, and the way in which they've engaged the academic community as well, has really been a demonstration of what we can do as a legislative body.

"I really appreciate the work that they do, the modeling they do as far as good legislation, and I look forward to the work to come, especially the task force that's going to be coming out of this measure, which is going to look at and focus on the needs and issues of grandparents raising grandchildren, as well as the cash and counseling project that they will be exploring as well. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support with reservations on this matter. Although I'm grateful to all the people that have supported the passage of this bill, I consider the appropriations that they were able to get so minute in comparison to the contributions that they provide our State. The \$250,000 for care homes and foster homes, and \$500,000 for family caregiving. I believe that we should enhance those appropriations to those that give direct care to those people that provide hands-on help.

"We have appropriated larger amounts of monies to committees, commissions, study groups, task forces and administrative support,

than we have given those dealing with the elderly. And I think that we should start thinking more about taking care of those direct-care providers. I'm grateful for this appropriation Mr. Speaker, but I think that we could have done better. Thank you."

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

"Mr. Speaker, I stand in strong support. Mr. Speaker, just brief comments that I am glad this project was able to receive continued funding. I think it needs to be highlighted that the care of the future will include these necessary services due to costs that more families will be faced with. These types of care home operations are the wave of the future for our families.

"Mr. Speaker, I will probably be there in a few decades, and I am confident that with the strides that we make, and the people that are in these homes caring for our families, that we need to make this a focus for the upcoming years. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2830, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAREGIVING," passed Final Reading by a vote of 50 ayes, with Representative Nakasone being excused.

Conf. Com. Rep. No. 158-08 and S.B. No. 2314, SD 1, HD 2, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2314, SD 1, HD 2, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Belatti's written remarks are as follows:

"I rise in opposition to Senate Bill 2314, Conference Draft 1. As I explained earlier on the previous vote on this measure, I believe it weakens our State's anti-bundling provisions of the Insurance Code at the expense of consumers. This bill still forces consumers to purchase one product as a prerequisite for buying another product that they may not want or need if the seller of the product has only a limited market share.

"Advocates of this bill may argue that this enables more affordable insurance products for small businesses. However, nothing now prevents sellers of insurance, as an incentive, to package and price their products together in order to provide a more cost-effective product that consumers may choose to buy. What is not allowed under the current law is tying or bundling products together and forcing the consumer to buy both products instead of the exact product they want or need.

"Because Senate Bill 2314 essentially erodes the consumer protection principle underlying anti-bundling rules and policies, I am opposed to this bill."

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

Representative Green's written remarks are as follows:

"I rise in strong support of SB2314 SD1 HD2 CD1, which will enable small health insurers to continue combining different types of health and sickness-related insurance benefits into a single unified policy. This bill is necessary because the current administration has recently chosen to interpret Hawaii law in a different way than it has ever been interpreted by prior

administrations, to prohibit the combination of drug and medical coverage, or the combination of medical, dental and drug coverage, or any other combination of health related coverages, into one insurance policy. Numerous Hawaii laws already permit the combination of various types of health coverages under one policy, and this should be encouraged, not discouraged, to help provide the broadest health coverage possible for Hawaii's residents.

"The current Administration has departed from those years of acceptance and deemed these combined benefits as a violation of state anti-tying laws. This Administration is doing so even though the U.S. Supreme Court has long since made clear that a company with less than 30% market share has no coercive power in the marketplace and cannot violate federal anti-tying laws. *Jefferson Parish Hospital v. Hyde*, 466 U.S. 2 (1984). *Jefferson Parish* is widely respected as a landmark decision on anti-tying law, wherein the Court stated, "the fact that [the hospital's patients] are required to purchase two separate items is only the beginning of the appropriate inquiry." *Id.* at 25 (emphasis added). "Only if patients are forced to purchase [the tied product] as a result of the hospital's market power would the arrangement have anticompetitive consequences." *Id.* (emphasis added). Emphasizing the point, the Court stated that "[w]ithout evidence that [the hospital is] using market power to force [the tied product] upon patients there is no basis to view the arrangement as unreasonably restraining competition whatever the reason for its creation." *Id.* at 25 n.41. The Court concluded that the hospital had no market power and therefore, the tying arrangement was not unlawful. In reaching that conclusion, the Court assumed that the hospital had a market share of 30%. *Id.* at 26.

"*Jefferson Parish* reversed a trend in lower courts – now being copied by Hawaii's Insurance Commissioner – to condemn tying arrangements even when the defendant's share of the market was very small. Since *Jefferson Parish* was decided, courts have generally refused to prohibit tying arrangements where the market share is less than 30% of the market. *See, e.g., Marts v. Xerox*, 77 F.2d 468, 481 (3rd Cir. 1992) (10-12% insufficient); *Grappone, Inc. v. Subaru of New England, Inc.*, 858 F.2d 792, 797 (1st Cir. 1988) (recognizing market share of 5.6% or less as "miniscule").

"Consistent with the federal standard, SB2314 SD1 HD2 CD1 will encourage the existing practice by smaller accident and sickness insurers to "bundle" together different classes of insurance, such as health, dental, and vision, thereby continuing the State's historical acceptance of this practice by small insurers who lack coercive power in the marketplace. In these circumstances, bundling provides broader health care coverage in single unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawaii insurance marketplace, and providing consumers with greater flexibility, coverage and pricing options."

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

Representative Mizuno's written remarks are as follows:

"It is the purpose and intent of SB2314 SD1 HD2 CD1 to expand access to health insurance by allowing broader coverage for less cost. SB 2314, SD1, HD2, CD1, provides greater flexibility for small insurers to "bundle" different types of benefits, such as health, drug, dental, vision and life together. This allows the small accident and health or sickness insurers to provide broader health care coverage in single unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawaii insurance marketplace, and providing consumers with greater flexibility, coverage and pricing options.

"SB 2314, SD1, HD2, CD1 is necessary because the current Administration has recently chosen to interpret Hawaii law in a different way than it has ever been interpreted by prior

administrations, to prohibit the combination of drug coverage, or any other combination of health related coverages, into one insurance policy. Numerous Hawaii laws already permit the combination of various types of health coverages under one policy, and this should be encouraged, not discouraged, to help provide the broadest health coverage possible for Hawaii's residents.

"It is the Legislature's intent to encourage the existing practice by smaller accident and health or sickness insurers to "bundle" together different insurance benefits, such as health, dental, vision, drug and life, thereby continuing the historical acceptance of this practice by small insurers who lack coercive power in the marketplace. In these circumstances bundling provides broader health care coverage in single unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawaii insurance marketplace, and providing consumers with greater flexibility, coverage and pricing options."

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

"I rise in support. This is about the small guys helping the small guys to get insurance. And I request written comments in the Journal."

Representative Ward's written remarks are as follows:

"I rise in support of SB 2314.

"SB 2314 provides greater flexibility for small insurers to "bundle" different types of benefits, such as health, drug, dental, vision and life together. This allows the small accident and health or sickness insurers to provide broader health care coverage in single unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawaii insurance marketplace, and providing consumers with greater flexibility, coverage and pricing options.

"SB 2314 is necessary because the current Insurance Commissioner has recently chosen to interpret Hawaii law in a different way than it has ever been interpreted by prior administrations, to prohibit the combination of drug and medical coverage, or the combination of medical, dental and drug coverage, or any other combination of health related coverages, into one insurance policy. If SB 2314 is vetoed, the Insurance Commissioner's position will result in fewer, more costly options in the health care market.

"The Legislature disagrees with the Insurance Commissioner's novel position, as the U.S. Supreme Court has long since made clear that a company with less than 30% market share has no coercive power in the marketplace and cannot violate federal anti-tying laws. *Jefferson Parish Hospital v. Hyde*, 466 U.S. 2(1984). *Jefferson Parish* is widely respected as a landmark decision on anti-tying law, wherein the Court stated, "the fact that [the hospital's patients] are required to purchase two separate items is only the beginning of the appropriate inquiry." *Id.* at 25 (emphasis added). "Only if patients are forced to purchase [the tied product] as a result of the hospital's market power would the arrangement have anticompetitive consequences." *Id.* (emphasis added). Emphasizing the point, the Court stated that "[w]ithout evidence that [the hospital is] using market power to force [the tied product] upon patients there is no basis to view the arrangement as unreasonably restraining competition whatever the reason for its creation." *Id.* at 25 n.41. The Court concluded that the hospital had no market power and therefore, the tying arrangement was not unlawful. In reaching that conclusion, the Court assumed that the hospital had a market share of 30%. *Id.* at 26.

"*Jefferson Parish* reversed a trend in lower courts – now being copied by Hawaii's Insurance Commissioner – to condemn tying arrangements even when the defendant's share of the market was very small. Since *Jefferson Parish* was decided, courts have

generally refused to prohibit tying arrangements where the market share is less than 30% of the market. *See, e.g., Marts v. Xerox*, 77 F.3d 1109, 1113 n.6 (8th Cir. 1996) (18% too small); *Town Sound and Custom Tops, Inc. v. Chrysler Motors Corp.*, 959 F.2d 468, 481 (3rd Cir. 1992) (10-12% insufficient); *Grappone, Inc. v. Subaru of New England, Inc.*, 858 F.2d 792, 797 (1st Cir. 1988) (recognizing market share of 5.6% or less as "minuscule").

"Consistent with *Jefferson Parish*, it is the Legislature's express intent to encourage the existing practice by smaller accident and health or sickness insurers to "bundle" together different insurance benefits, such as health, dental, vision, drug and life, thereby continuing the historical acceptance of this practice by small insurers who lack coercive power in the marketplace. In these circumstances bundling provides broader health care coverage in single unified policies, ultimately resulting in lower overall premiums, fostering greater competition within the Hawaii insurance marketplace, and providing consumers with greater flexibility, coverage and pricing options."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2314, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 43 yeas to 3 nays, with Representatives Belatti, McKelvey and Thielen voting no, and with Representative Nakasone being excused.

At 4:38 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2978, HD 1, SD 2, CD 1
 H.B. No. 2972, HD 1, SD 2, CD 1
 H.B. No. 661, HD 1, SD 3, CD 1
 H.B. No. 2739, HD 1, SD 2, CD 1
 S.B. No. 2878, SD 2, HD 2, CD 1
 S.B. No. 2830, SD 2, HD 2, CD 1
 S.B. No. 2314, SD 1, HD 2, CD 1

Conf. Com. Rep. No. 163-08 and S.B. No. 2546, SD 2, HD 1, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2546, SD 2, HD 1, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

Representative Finnegan 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 Finnegan's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in support with reservations of C.C.R. 163, S.B. 2546, S.D. 2, H.D. 1, C.D. 1 which clarifies amendments to Chapter 353H, Hawaii Revised Statutes, relating to the offender reentry program. I am concerned that we are trying to micromanage the Department of Public Safety, particularly the provision that requires PSD to exchange prisoners through a quarterly rotation system, with long-term inmates sent to out-of-state prisons and prisoners with less than a year to serve to be brought back from out-of-state prisons. Mr. Speaker, PSD is already doing this. I am worried that if we put this provision in statute, it will limit PSD's flexibility on bringing back our prisoners from the mainland. And since PSD is working on a new prisoner classification system, we should not put more requirements on PSD until we know how the new classification system will affect housing requirements.

"Mr. Speaker, I was deeply insulted when this bill was passed in Conference Committee on Friday. The Senator from Ewa Beach stated that if the Governor vetoed this bill, he would pass a bill that would turn Washington Place into a homeless shelter. First, I am disappointed that one of my fellow legislator's would so blatantly

insult the leader of our State, especially since homelessness is such an important issue in our State. Secondly, I am appalled that he would consider turning one of our most historic places in Hawaii into a homeless shelter. The statement was uncalled for and as legislators, we should be held accountable to what we say.

"Thank you, Mr. Speaker."

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

Representative Pine rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

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:

"Mr. Speaker, I rise in opposition to this bill.

"This bill requires the Department of Public Safety to develop a comprehensive and effective offender reentry system plan for adult offenders exiting the prison system; requires PSD to exchange prisoners through a quarterly rotation system to be brought back to Hawaii; as well as requiring PSD to work with the Department of Human Services and the Hawaii Paroling Authority to research and evaluate the impact on a child who has a parent in prison. Mr. Speaker, PSD is already doing this and by mandating PSD, we will reduce the Department's flexibility to act in the best interest of our prisoners. For example, requiring PSD to exchange prisoners on a quarterly rotation system with no appropriation in the bill could negatively affect the Department's budget, which in effect would take money away from other PSD programs. PSD needs flexibility to make decisions that are appropriate and fiscally responsible. We should not be micromanaging the Department of Public Safety.

"I am concerned that we are shooting for the moon to help our prisoners, but we lack the political will to help our victims who suffer at the hand of violent offenders. I believe the victims of crime should be cared for first, and then we should focus on those who have committed the crime. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2546, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OFFENDER REENTRY," passed Final Reading by a vote of 46 ayes to 3 noes, with Representatives Meyer, Pine and Thielen voting no and, with Representatives Cabanilla and Nakasone being excused.

Conf. Com. Rep. No. 164-08 and S.B. No. 2843, SD 2, HD 3, CD 1:

Representative Caldwell moved that the report of the Committee be adopted and that S.B. No. 2843, SD 2, HD 3, CD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, thank you. I am in strong support and just have some brief remarks. This bill, Senate Bill 2843, Relating to Electronic Device Recycling, I think will be one of our landmark pieces of legislation for this Session. It's going to put us as one of the leaders among the states that have an electronic or e-waste recycling program.

"I want to commend the Chair and the Vice Chair of the Energy and Environmental Protection Committee who really worked on this bill and shepherded it through the process. I think this again, is

going to be something that we can all be very proud of, and we'll see a reduction in our solid waste stream for the future. Thank you, Mr. Speaker."

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

Representative Carroll's written remarks are as follows:

"Thank you, Mr. Speaker. The purpose of HB 2843 is to encourage the recycling of electronic devices sold within the State by establishing an electronic device recycling program. As a member of the Conference Committee on HB 2843, agreement was reached to do the following:

Exempt all telephones regardless of screen size;

Specify that "manufacturer" shall not include persons located in the State who manufacture specialized computers and have sales of no more than one hundred computers per year;

Clarify that "sell" or "sale" means any transfer for consideration of title, including transactions conducted through sales outlets, catalogs, or the Internet, but excluding leases;

Stipulate March 31, 2011 as the deadline for each manufacturer to initially submit to the DOH the total weight of all covered electronic devices recycled in the previous year;

Require the DOH, by July 1, 2011, and annually thereafter, to publish a ranking of all manufacturers selling covered electronic devices in the State;

Require the DOH to maintain a toll-free number with current information on where to return covered electronic devices for recycling;

Authorize the Attorney General to enforce this measure and take necessary action against any manufacturer or retailer for failure to comply;

Authorize the DOH to impose by order administrative penalties and to set, charge, and collect administrative fines and to recover administrative fees and costs;

Establish within the DOH a temporary working group to develop a plan to establish, conduct, and manage a program for the collection, transportation, and recycling of televisions sold in the State, to be implemented no later than January 1, 2010;

Redefine "covered electronic devices";

Omit the appropriation of funds for the establishment of the electronic device recycling program; and

Change the effective date to July 1, 2008.

"Our landfills are reaching quickly their full capacity and we need to take a conscious step forward to address this issue. This measure takes a comprehensive approach in addressing this issue. There are corporations such as Apple and Dell that have embraced this legislation. The cost of recycling is shared with manufacturers, government and the consumer. This is a fair compromise to address this important issue.

"This bill helps tackle the problem of electronic waste by having manufacturers register with the State; label their electronic devices; and develop a plan to establish and manage a program for collection and recycling. Electronic waste is contributing millions of tons to landfills every year and the toxic materials used in their construction is seeping into our soil and groundwater, or sent into the air by incineration. This is a great step in reducing the amount

of waste that goes into our landfills and returning the devices to the manufacturer that made them in the first place.

"For these reasons I support this measure and ask my colleagues to please support it as well. Thank you."

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

"Thank you, Mr. Speaker. I'm in opposition to this measure. This is the electronic device recycling program. Mr. Speaker, I'm in opposition because companies and manufactures have already implemented their own recycling and take-back programs. Should this measure pass, it may negatively impact these programs, which often collect wireless equipment for refurbishing and reuse.

"In addition, the Department of Health has serious concerns about funding and prefers a program that is privately run. The Department does not want the establishment of a new State program. Another concern is the \$5,000 registration fee that distributors of these kinds of items will have to pay annually which will be passed on to the consumer. So while it's not a tax, it's a fee that will absolutely drive up the cost of all electronic devices that people purchase. As private industry is doing a more than adequate job at promoting the recycling of electronic products, government will not likely be able to match the efficiency of private industry.

"I think this is something that we don't need to do; starting up a new program at the Department of Health similar to the Bottle Bill. Who knows how much will be sitting in that account, out of the economy, not moving through it. And here we have Apple and other manufacturers who are more than happy to do this. Why would we want the government to do it? Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I rise in support of this measure. This measure is being supported by Apple and it's modeled after the Texas law which is supported by Dell. What the bill does is embrace a manufacturer's recycling plan. Only if a manufacturer has a recycling plan filed with the Department of Health, can they sell their products in the State. It's the producers' responsibility type of law.

"I worked closely with the Department of Health to make sure that implementing such a program would not be a burden to the Department of Health, but would help to facilitate what the manufacturers are asking for to make sure that these kinds of electronic waste components, which are very valuable because they have precious metals that can easily recycled, go back to the proper recycling centers throughout the nation, so that these valuable components can be extracted and used again. Despite what has been said previously, this is a type of legislation that is being embraced by manufacturers because the responsibility is on the manufacturer to recycle and file adequate recycling plans with the Department. Thank you."

Representative Belatti rose to respond, stating:

"Just in brief rebuttal, and to add to what the previous speaker said, I think this approach puts the responsibility on the manufacturer, and it shares it with the retailer, government and the consumer. So I think again that this law is very forward looking and will put us in good stead with the rest of the country. Thank you, Mr. Speaker."

Representative Meyer rose to respond, stating:

"Thank you, Mr. Speaker. While Apple may have said that if we had this program they would participate, they are already doing it. I would prefer, and think that we should have looked at a Texas e-waste law type of bill. This should be used as a model. In their

program, manufacturers selling computer equipment implement a recovery plan for recycling devices. Manufacturers pay to carry out their own plan. There is no collection fee and they may select from a variety of options. Manufacturers submit reports regarding the recycling and reuse efforts, and the State's responsibility is limited to accepting recovery plans and maintaining a list of complaint manufacturers. This bill is so broad, and it will encompass so many different devices, and all of these companies paying these large fees. It's just something that's going to add to the cost of living here in Hawaii. Thank you."

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

"Thank you, Mr. Speaker. In support with written comments, and just a brief rebuttal. Mr. Speaker, this measure is a compromise measure that is modeled after the Texas legislation. Thank you, very much."

Representative Yamashita's written remarks are as follows:

"Mr. Speaker, I rise in strong support SB2843, CCR164-08.

"As we move into the digital age, our society has become increasingly dependent on computers and other electronic devices. As a result, outdated electronic devices, known as e-waste, are now abundant in our landfills. Currently, it is estimated that approximately 100 million computers become obsolete each year and are discarded. This waste can damage our environment as electronic devices often contain lead, mercury, and other harmful metals. Additionally, e-waste frequently contains precious metals, such as gold, that would go to waste if not recycled. Several states around the nation have implemented e-waste recycling programs, and it is about time that Hawaii followed suit.

"The e-waste recycling program encompassed in this measure is placed within the Department of Health and, like the Texas legislation upon which it's based, puts the onus on electronics manufactures. Some have argued that this program will disrupt e-waste programs already in effect; however, this measure simply requires manufactures to file their recycling plans with the Department of Health. It will not disrupt the recycling efforts of manufactures that already have an e-waste recycling program in effect, and will require a manufacture-based e-waste recycling program for those companies who do not yet recycle their obsolete electronic devices. Thank you."

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

Representative Morita's written remarks are as follows:

"Mr. Speaker: I just wanted to respond to the comments made by the Minority Floor Leader. The Minority Floor Leader mentioned that she would prefer legislation like the law Texas enacted regarding electronic recycling. Mr. Speaker, this bill reflects a structure much like the Texas e-waste law. Your Chairs of the Committee on Energy & Environmental Protection and Committee on Economic Development & Business Concerns looked to the Texas law as a model while amending this legislation.

"Now with this misunderstanding cleared up, I hope she can fully support this bill which puts the responsibility on the producer/manufacturer, and not the State, to properly design electronic equipment for easier recycling when these types of devices reach obsolescence or become non-functional."

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.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 2843, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTRONIC DEVICE RECYCLING," passed Final Reading by a vote of 47 ayes to 2 noes, with Representatives Finnegan and Meyer voting no, and with Representatives Cabanilla and Nakasone being excused.

At 4:47 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 2546, SD 2, HD 1, CD 1
S.B. No. 2843, SD 2, HD 3, CD 1

FINAL READING

The following bills were taken from the Clerk's desk and the following action taken:

Representative Caldwell moved to agree to the amendments proposed by the Senate to the following House bills, seconded by Representative B. Oshiro and carried. (Representatives Cabanilla and Nakasone were excused.)

H.B. No. 2164, HD 1, SD 1
H.B. No. 2224, HD 1, SD 2
H.B. No. 2271, HD 1, SD 2
H.B. No. 2547, SD 1
H.B. No. 2614, SD 1
H.B. No. 2929, HD 1, SD 1
H.B. No. 2954, SD 1
H.B. No. 2955, HD 1, SD 1
H.B. No. 2971, HD 1, SD 2
H.B. No. 3085, HD 2, SD 1
H.B. No. 3191, HD 1, SD 2

The Chair addressed the Clerk who announced that the record of vote forms for the aforementioned bills had been received, and a quorum was present at the respective decision making sessions with a majority of the managers present voting in the affirmative.

H.B. No. 2164, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2164, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 4 (Chang, Green, M. Oshiro and Finnegan). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2164, H.D. 1 and H.B. No. 2164, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE CANCER RESEARCH SPECIAL FUND," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2224, H.D. 1, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2224, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 5 (Green, Yamashita, Sonson, Herkes and Thielen). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2224, H.D. 1 and H.B. No. 2224, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO INSURANCE," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2271, H.D. 1, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2271, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Green, Mizuno and Ward). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2271, H.D. 1 and H.B. No. 2271, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST CASTLE MEDICAL CENTER AND ITS AFFILIATES," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2547, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2547, on the following showing of Ayes and Noes:

Ayes, 2 (Takumi and Carroll). Noes, none. Excused, 1 (Meyer).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2547 and H.B. No. 2547, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR MAUI PREPARATORY ACADEMY," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2614, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2614, on the following showing of Ayes and Noes:

Ayes, 2 (Takumi and Har). Noes, none. Excused, 1 (Finnegan).

Representative Caldwell moved that H.B. No. 2614, SD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Har's written remarks are as follows:

"Mr. Speaker, I rise in strong support on HB 2614.

"This bill issues a \$30 million special purpose revenue bond to Island Pacific Academy, one of Kapolei's newest schools. The funds from this special purpose revenue bond will assist Island Pacific Academy in expanding their student body's programs by allowing construction of additional classrooms and a gymnasium.

"Mr. Speaker, as you know, I am an ardent proponent of our public education system. That being said, however, I also support diversity in our education system which can be achieved by providing parents and students with choices in education. This is where our private schools play an important role. Island Pacific Academy, one of two private schools in Kapolei, provides parents and students with a choice in education because IPA implements in its pedagogy contemporary research about cognitive development in young minds.

"I further support this bill because the student population at IPA is not comprised solely of students from Kapolei, but includes students from all over Oahu. Approximately 30-35% of these students receive tuition assistance demonstrating that it is critical to IPA to have a diverse student population, transcending socio-economic barriers.

"As it is becoming more difficult for the State to build public schools in a timely manner due to budgetary constraints, our private schools play an even more important role by picking up the slack for our already overcrowded public schools. Therefore, we need to support our private schools as they provide support to State government.

"For these reasons, Mr. Speaker, I stand in strong support of HB 2614."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 2614 and H.B. No. 2614, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ISLAND PACIFIC ACADEMY," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2929, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2929, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Sonson, M. Oshiro and Pine). Noes, none. Excused, 1 (Herkes).

Representative Caldwell moved that H.B. No. 2929, HD 1, SD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Thank you, Mr. Speaker. I'm rising in opposition to this measure. The IME process is an important part of the employer's discovery process to ensure proper treatment and that the costs they incur are justified. In the situation where a worker is injured, an employer will request an IME only when they have questions or concerns relating to the claimant's injury or the propriety of the attending physicians' treatments. Requiring that the IME be chosen from a list provided by the Director of Labor, if there is no mutual agreement, deprives employers of choosing their own expert witness. The employer pays 100 percent of the costs to the physician, and the employee pays nothing. So it is only reasonable for an employer to be able to choose the physician to complete an evaluation of an employee.

"Some proponents of the bill have stated that employer-designated doctors are 'in the pocket of the company,' and the

employee will not be fairly evaluated. However there are already safeguards in place for IMEs. Hawaii's workers' compensation law requires full disclosure of the IME report to the injured employee. This requirement allows the treating physician or the injured worker to challenge the evaluation, and then the Department of Labor makes a decision on the case based upon the evidence provided by opposing parties.

"Mr. Speaker, this bill eliminates the employer's ability to choose a physician, every step of the worker's compensation process and that is why I'm voting no. Thank you."

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

"Mr. Speaker, in opposition. I agree fully with the comments of the Minority Floor Leader, but this would really prolong the payment of temporary total disability, which is really expensive. It's wage replacement. And until there is a mutual agreement, you'll have to keep paying the worker this wage replacement. The worker may really never mutually agree upon a physician to perform these examinations.

"It is not a good bill. We've passed several of these bills and they will all increase the cost of doing business here in Hawaii. Thank you."

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

"I'm standing in strong support of this measure, Mr. Speaker. One of the most important provisions in our workers' compensation law is HRS 386, and specifically under 386-79, the so-called independent medical examination, or IME is done by the insurance company's physician. Under the current law, the insurance company's doctor has the sole discretion to select the IME physician who is also paid by the insurance company. As a result, Mr. Speaker, the examiner's opinion is necessarily and without exception, tailored to favor the insurance company's position. That is what the IME examiner is paid to do.

"This is not a discovery process. It is a tool to rebut the opinion of the injured worker's treating physician who knows best about the injured worker's medical condition. Therefore independent medical examinations today are not the IME envisioned by the framers of our worker's compensation law. We need to pass HB 2929, HD 1, SD 1 to precisely correct this. The unfairness created by the misuse and abuse of the IME process by the insurance companies requires us to make our move today. If we have to believe as our Supreme Court had in many cases, that our worker's compensation law was enacted for humanitarian purposes, fair to both the workers and the employees making work injury comprehensible in cases of doubt. I ask you to pass HB 2929, HD 1, SD 1.

"HB 2929 does the following:

First, it simplifies and streamlines the process of the selection of IME under 386-79 by providing a step-by-step procedure in obtaining a truly independent medical examiner.

Two, it defines the qualification of the IME examiners, making sure that they are licensed in the State of Hawaii in their relevant medical specialty, and are able to perform the evaluation within a limited time in order to expedite the determination of the relevant issues, which should favor either party.

Three, it also clarifies when permanent impairment ratings need to be done by defining medical stability.

Four; it reduces the cost of IMEs by limiting the number of IMEs to only relevant stages in each case.

Five, it also clarifies controversial and constantly ignored one per case IME provision under 386-79 by changing the wording of that provision where one per case means, one per case.

Six, it affords repetitive IMEs by separating the IME for permanent impairment ratings from grading examinations.

Seven, it retains a carrier's right to suspend benefits to the injured worker in the event that the injured worker refuses to submit or unreasonably obstructs the requested IME.

Eight, it makes IMEs more equitable and fair to the injured worker or the employer by giving the injured worker the right to participate in the selection of the independent medical examiner.

And nine, the measure levels the playing field between the strong insurance company's doctor and the injured or employer's treating physician by recognizing that the treating physician has and should have a higher knowledge of the injured worker's medical condition compared to the opinion of this IME, this hired examiner who would see the injured worker or injured person only once, and sometimes only very briefly.

"For the above reasons Mr. Speaker and Members, please support H.B. 2929. Thank you very much."

Representative Pine rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 2929, H.D. 1 and H.B. No. 2929, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION," passed Final Reading by a vote of 42 ayes to 6 noes, with Representatives Ching, Finnegan, Marumoto, Meyer, Pine and Thielen voting no, and with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2954, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2954, on the following showing of Ayes and Noes:

Ayes, 3 (Souki, Herkes and Nishimoto). Noes, none. Excused, 1 (Meyer).

Representative Caldwell moved that H.B. No. 2954, SD 1, pass Final Reading, seconded by Representative B. Oshiro.

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

"Mr. Speaker, I stand in support and would like to submit written comments. And just a thank you to Speaker Emeritus Joe Souki."

Representative Karamatsu's written remarks are as follows:

"I rise in support.

"I want to thank Speaker Emeritus Joseph M. Souki for inserting language into this bill to address a concern of a resident of Hawai'i who contacted me explaining how he disliked the fact that a towing company can charge an owner of a vehicle that is hooked up for towing even if the owner of the vehicle appears on the

scene. This bill would amend the current law by prohibiting a towing company from charging the owner of a vehicle hooked up for towing if the owner of the vehicle appears on the scene. In the case of a difficult hookup, meaning an above or below ground hookup in a multilevel facility, a towing surcharge of \$30 is applicable.

"In addition, this bill encourages towing companies to be open twenty-four hours a day in a county with a population greater than five hundred thousand by allowing an overtime charge of \$15 when the tow occurs between the hours of six o'clock p.m. and six o'clock a.m., from Monday through Thursday and from six o'clock p.m. Friday to six o'clock a.m. Monday.

"Any towing company engaged in towing in a county with a population greater than five hundred thousand shall not be entitled to any overtime charge if towing services to consumers are not offered twenty-four hours per day every day of the week; provided that a towing company shall file their hours of operation with the police department in a county with a population greater than five hundred thousand. Thank you."

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

"Thank you, Mr. Speaker. I am in support, but I do have some very serious reservations."

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

"Thank you, Mr. Speaker. In opposition and I believe we're talking about the towing fees. Mr. Speaker, this even adds more cost to someone who unfortunately had their car towed. I've had some people get a hold of me and they were explaining that some tow companies are doing what I guess you would call, 'fishing'. They go by certain areas knowing that someone is going to park with maybe a bumper extending into a red zone or something of that nature, and they're on those cars, picking them up and towing them away.

"One of the people was called to the condo to give an estimate for some repairs to the common areas of the condominium. And when he came out, his truck was gone. It's an unfortunate situation because the towing companies are preying on people that have just inadvertently parked in a way that maybe is not fully legal. So I don't like to see us keep raising fees.

"The towing companies have come back virtually every year and they've gotten what they've asked for. Too bad that couldn't happen with the homeless population. Thank you."

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

"Just in opposition. Mr. Speaker, this bill allows towing companies to raise fees for after-hours towing. And I can only speak by my experience, that in my community, which is a planned community association, the towing companies seem to have no problem every night, coming in the middle of the night when we're all sleeping to tow many, many cars. So it doesn't seem to be an economic factor to those companies."

Representative Karamatsu rose to respond, stating:

"Unfortunately some of the Members are not looking at the good part of the bill, which basically allows us some flexibility. If we get to the vehicle and it's hooked up, right now if it's hooked up and we get there in time, as long as it's not towed away, we don't have to pay a fine. They can drop the costs. Right now, as long as it's hooked up you have to pay the fine. So that's the good thing about this bill."

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

"I rise in strong support of this measure, Mr. Speaker. Although there is an increase of fees after hours, I think I'm looking at it as a limit on what they can charge. Right now, there is no cap on how much they can charge after hours. They can just name their price and they can tow it to anywhere on the island that they so choose.

"I like the part where if your car is still there and they have hooked it up, just like the Representative from Waipahu said. I think that's what's beautiful about this bill. I concur however, with what the Representative from Kailua said and I think we should write a bill against that next Session. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. I'm rising in opposition. That provision where they have to unhook your car if you arrive before they've hooked it up; they're ready to go, but you come back. That was put in during Conference Committee in 2007. That was something that the Senator on the Conference Committee absolutely wanted. That bill raised the fee per mile, per tow. There were a lot of provisions in that bill last year that made the cost go up for everybody who's ever had their car towed. But that provision where they would unhook it was supposed to be in the version that came out of Conference Committee.

"So when this came back this year, it was really just to take care of that mistake that was made, but then in the process, now we've added another fee on. I'm with my colleague from Kailua. It seems like every year we're doing something with the tow trucks and it's ratcheting it up, finding new ways to charge more things and enough already. Thank you."

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

"Yes, Mr. Speaker. I speak in favor of this particular measure. It seems that my friends across the aisle don't look at the signs. When you get towed, it means you're breaking the law. There are signs there saying that if you park in this area, you're going to get towed. So if you insist on breaking the law, which you seem to want to do, then you are going to get charged accordingly. Thank you, very much."

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

"Thank you, Mr. Speaker. I rise with reservations. About 20 years ago when I was still in college, I got towed from the University of Hawaii at Manoa to somewhere in Sand Island, and back then it cost me \$200 to get my car out. I believe the cost now is even significantly higher, and they cannot charge anything other than what we provide in law. I do believe that they cannot at this point, charge an overtime charge unless we pass this bill. So without this bill, which now provides for an overtime charge of \$15, tow companies cannot charge an additional charge. I don't know how much it will cost someone who got their car towed from somewhere like the University to Sand Island. Or worse yet, from the North Shore all the way to Sand Island, but I do know we're talking about hundreds of dollars.

"And in terms of the other issue about being there before they take off and allowing the tow truck to drop your car so you can take off with it, I look at lines 19 to 21. To me, the current bill is difficult to understand because it still, in the case of a difficult hook up, and it describes a difficult hook up in a round about way. There is a still a towing surcharge of \$30 and that was not eliminated. So the way I read this is, even despite the fact that you've been hooked up and you come and save your car, they still

might charge an additional \$30. I just think that at this point, we've been giving, almost every other year, increases to towing companies. There must be a point where we should say, 'Enough already'. Thank you, Mr. Speaker."

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

"Thank you. I rise with reservations and I ask that the words of the Representatives from Kailua and Pearl City be entered as my own. I think, yes when people park illegally there are consequences. But when I go to Sand Island, and I have been towed before, I'm looking what the costs are for land costs, gasoline, etc. I don't know how much the drivers get paid, but \$200, \$300, I see a lot of cars there. Maybe on a weekend they catch a lot of young people out and about, and I do have to question the exorbitant fees, and if it's gone too far. Thank you."

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

"Thank you, Mr. Speaker. In support. This bill really is a product of some complaints that we heard from constituents. The first part is the towing and if you show up on the scene. Our Committee heard testimony that it's common practice for the towers to show up, preliminarily hook up the car, move it a foot, and then say, 'Okay, well we already hooked it up and we moved it,' so they can't unhook it when you get there. So the language in here was inserted to correct it so that even if they move it, or they are even in the process of hooking it up, they're still required to take it down if you show up.

"The second part was from complaints from people who get their car towed and can't pick up their cars, say it's over the weekend, or a long holiday, because the tow companies aren't open. It was kind of a trade off where we increase the overtime fee, but require them to stay open 24 hours. Your Committee felt that that was fair. So I encourage Members to support this bill. I think it's a fair bill. Thank you."

Representative Pine rose to respond, stating:

"Just going by experience again. Where I live, there's the 'towing Nazis' and there are many people that will claim they did follow the law, and did stay within the lines. And for whatever reason, even if it was just that time period where we had a tow company that was not acting in what we thought was lawful. My husband was a victim of one of those tow companies where he was within the lines. So we can't just assume that all the people towed are breaking the law. There are cases where that's very different.

"I just want to add the words of all those that are in opposition as my own, as well the Representative from Pearl City," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 2954 and H.B. No. 2954, S.D. 1, entitled: "A BILL FOR AN ACT RELATED TO TOWING," passed Final Reading by a vote of 43 ayes to 5 noes, with Representatives Brower, Finnegan, Meyer, Pine and Thielen voting no, and with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2955, H.D. 1, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2955, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Ito, Karamatsu and Thielen). Noes, none. Excused, 1 (Carroll).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 2955, H.D. 1 and H.B. No. 2955, H.D. 1, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO ARCHAEOLOGICAL DATA," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 2971, H.D. 1, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 2971, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (Takumi, Lee and Berg). Noes, none. Excused, 1 (Finnegan).

Representative Caldwell moved that H.B. No. 2971, HD 1, SD 2, pass Final Reading, seconded by Representative B. Oshiro.

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

Representative Takumi's written remarks are as follows:

"I stand in support of HB2971. There's no doubt that education in the 21st Century must be relevant, rigorous and flexible. It is imperative that students have more opportunities and increased access to a wide variety of courses such as math, foreign languages, and science.

"A November 2006 report published by the North American Council for Online Learning and the Partnership for 21st Century Skills summarized the critical need for different approaches to learning:

In an increasingly competitive global economy, it is not enough for students to acquire subject-level mastery alone. Skills like creativity, problem-solving, communication and analytical thinking are necessary for all levels of success, from entry-level jobs to engineering and technical fields. However, the U.S. K-12 education system as a whole does not yet teach and measure these skills directly.

Some sobering statistics:

- Eighty-four percent of employers say K-12 schools are not doing a good job of preparing students for the workplace; 55 percent say schools are deficient in preparing students with basic employability skills (such as attendance, timeliness and work ethic); 51 percent cite math and science deficiencies; and 38 percent cite reading and comprehension deficiencies.

- A very small percentage of 4th and 8th grade students U.S. students (less than 30%) perform at a proficient level in math, while up to 20% lack the competence to perform even basic mathematical computations.

"One way to meet this challenge is through online instruction. This method gives students another option and offers personalized and individualized instruction to meet their needs and not the other way around which is typical in a traditional classroom setting.

"For example, virtual schools in Florida, students decide what month of the year they want to start, when and where they want to study, and how to respond to assignments. Students have the option to indicate their understanding of course content through a Power Point presentation, by creating a website, developing a podcast, or writing a traditional essay.

"Students in Hawaii have a 180-day school year. If a student completes a course in 150 days in a traditional classroom, they have to sit through the remainder of the year. If they complete it in 200 days, they fail since they didn't make the deadline. By enabling students to proceed at their own pace, they learn to manage their time; really no different than what they will face in the world of work.

"This measure will enable the Department of Education to expand online opportunities for our students. It is an important measure and deserves our support."

Representative Finnegan rose in support of 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:

"Thank you, Mr. Speaker. I rise in support of H.B. 2971, H.D. 1, S.D. 2 which requires the Department of Education to implement recommendations of the online learning taskforce. I believe this bill is a major step towards creating a 21st century education system in Hawaii. This will result in the expansion of online learning opportunities for our students.

"The education system of Hawaii needs to adapt to the changing nature of its students. This means embracing the use of technology which has become a normal part of our kids' lives. Statistics show that nearly 90% of children and adolescents from ages 5 to 17 use computers, with about 59% using the internet. Access to knowledge and information has expanded due to the internet. This technology can be used to enhance the learning experience of students. It can also be used to create a rich curriculum, and provide educational opportunities to students anywhere in the State.

"Our education system needs to utilize this new educational resource. Other states have recognized this potential. As of September 2006, 38 states had some type of state-led online learning program, or initiatives. It is time for Hawaii to join them. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the House agreed to the amendments proposed by the Senate to H.B. No. 2971, H.D. 1 and H.B. No. 2971, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 3085, H.D. 2, S.D. 1:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 3085, H.D. 2, on the following showing of Ayes and Noes:

Ayes, 4 (Yamashita, Herkes, Sagum and Marumoto). Noes, none. Excused, 1 (Waters).

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 3085, H.D. 2 and H.B. No. 3085, H.D. 2, S.D. 1, entitled: "A BILL FOR AN ACT RELATING TO BUSINESS REGISTRATION," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

H.B. No. 3191, H.D. 1, S.D. 2:

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the

managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 3191, H.D. 1, on the following showing of Ayes and Noes:

Ayes, 3 (M. Oshiro, Lee and Meyer). Noes, none. Excused, none.

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.B. No. 3191, H.D. 1 and H.B. No. 3191, H.D. 1, S.D. 2, entitled: "A BILL FOR AN ACT RELATING TO CONFORMITY OF THE HAWAII INCOME TAX LAW TO THE INTERNAL REVENUE CODE," passed Final Reading by a vote of 48 ayes, with Representatives Nakasone, Wakai and Waters being excused.

At 5:10 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 2164, HD 1, SD 1
 H.B. No. 2224, HD 1, SD 2
 H.B. No. 2271, HD 1, SD 2
 H.B. No. 2547, SD 1
 H.B. No. 2614, SD 1
 H.B. No. 2929, HD 1, SD 1
 H.B. No. 2954, SD 1
 H.B. No. 2955, HD 1, SD 1
 H.B. No. 2971, HD 1, SD 2
 H.B. No. 3085, HD 2, SD 1
 H.B. No. 3191, HD 1, SD 2

At 5:10 o'clock p.m., Representative Caldwell requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:10 o'clock p.m.

Conf. Com. Rep. No. 75-08 and H.B. No. 1832, HD 1, SD 1, CD 1:

Representative Caldwell moved that the report of the Committee and H.B. No. 1832, HD 1, SD 1, CD 1, be recommitted to the Committee on Conference, seconded by Representative B. Oshiro.

Representative Marumoto rose, stating:

"Mr. Speaker, as I recall this was a bill that passed through both houses of the Legislature with relative ease, and I'm wondering why there's a motion to recommit. Perhaps it's just to make a correction?"

The Chair responded, stating:

"I believe the response to your question, Representative Marumoto, is that the Senate has recommitted this measure in their Chamber. So we're just following the actions of the Senate in recommitting this back to the Committee on Conference."

Representative Bertram rose to speak in opposition to the motion to recommit, stating:

"I just wanted to speak against this motion. I think it's a great bill, and I'm sad to see it be recommitted at this point. I really do think, hopefully, we'll be able to get some kind of a real understanding of what the signs do to neighborhoods, and to our community at large. I hope that we can reconsider this next year. Thank you."

Representative Pine rose to speak in opposition to the motion to recommit, stating:

"Just in opposition to the recommittal. I live in a district where big signs are the norm for elections, and it really changed my community a lot. I would like to not use signs at all, but every year my opponents refuse to not put up signs when we request it of them. I just think that it's very sad that we're recommitting this bill. It would have been good for the environment and pleasing for our eyes."

Representative Brower rose to speak in opposition to the motion to recommit, stating:

"Thank you, Mr. Speaker. I'm just in opposition to the motion, and to support the Representative from South Maui whose one sign was stolen two years ago."

Representative McKelvey rose to speak in opposition to the motion to recommit, stating:

"Thank you, Mr. Speaker. I am in opposition to the recommittal, and may I have the words of the Representative from Kihei entered into the Journal as if they were my own. And also to say that I had more than one sign."

Representative Morita rose and asked that the Clerk record a no vote for her on the motion to recommit, and the Chair "so ordered."

Representative Thielen rose to speak in opposition to the motion to recommit, stating:

"Thank you, Mr. Speaker. I am in opposition to the recommittal. The Outdoor Circle worked very, very hard Mr. Speaker, and worked with an attorney, Jon Van Dyke, on the constitutional issues. The bill was good. It would have prevented these excessively large campaign signs from being a blight in our environment, and I'm sorry to see us recommit it. I think we ought to really stand firm and instead go ahead and pass the measure. Then that leaves the burden on the Senate to have to face what we've done. Thank you."

Representative Takai rose to speak in support of the motion to recommit, stating:

"Thank you, Mr. Speaker. I rise in support of this recommittal. The main reason is the Senate has already recommitted this measure and it would be I think, not standard practice for us to move forward at this point, because for all intents and purposes, the bill is dead.

"But I do bring up two concerns that I had in regards to the bill. The first one is that, well it's really one concern by way of that concern. I'd like to explain first, the bill requires no larger than a 2 foot by 4 foot sign. But it also mandates that no more than 16 square feet can be on a particular house. In Pearl City, which is the community I represent, we have some really choice intersections. And by the way, I have never put up a yard sign since I first started running. But at those particular intersections Mr. Speaker, we have maybe 10 ..."

Representative B. Oshiro rose to a point of order, stating:

"Point of order, Mr. Speaker. I think the current speaker is out of order. Normally on a motion to recommit, we allow members to only speak on the motion and why it's good or not. He's starting to get into the substance. You've been very generous so far, but I think he's straying."

The Chair responded, stating:

"Yes, I've been very generous to the Members of this body regarding the actions of the Chair during this past Session. So Representative Takai, would you continue on, but please confine your remarks to the motion of the recommittal and not the substance of the bill that is before us."

Representative Takai continued, stating:

"That's very difficult, because you allowed the other speakers to speak on the substance. I just have maybe 30 more seconds."

Speaker Say: "And the Chair will be generous to allow you."

Representative Takai: "Thank you, Mr. Speaker. The last provision only allows for no more than 16 square feet. What that actually means is that on a typical residence, if the signs are 8 feet each, then they can only have two. In some districts or some communities, you have 10 candidates running for 10 different races. I think it's problematic when you're going to restrict one residence to just two signs.

"We have congressional races, gubernatorial races, Lieutenant Governor races, U.S. Senate races, House races, Senate races, City Council races, a whole bunch of races, but this law will allow for only two signs. That is a problem."

Representative Belatti rose to speak in opposition to the motion to recommit, stating:

"Please note my opposition on the motion to recommit, and just given the lively debate we've had, I don't see the problem with us voting on it. Thank you."

Representative Cabanilla rose to speak in support of the motion to recommit, stating:

"In support of the recommittal, Mr. Speaker. I represent Ewa and Waipahu, and they really want to put up their Merry Christmas signs, and their Santa Claus signs. You go through Ewa and you see big signs there during Christmas. This would really kill the tradition of Christmas. Thank you."

Representative Sonson rose, stating:

"The Governor really liked signs because in Waipahu, all year round, you see these huge 4 feet by 10 feet signs hanging around in Waipahu. Believe you me, just go down Waipahu Street, you can see these beautiful signs that say, 'Lingle, Aiona, awesome, strong,' Waipahu loves it."

Representative Takumi rose and asked that the Clerk record a no vote for him on the motion to recommit, and the Chair "so ordered."

At this time, Representative Souki called for the previous question.

Representative Lee rose and asked that the Clerk record a no vote for her on the motion to recommit, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee and H.B. No. 1832, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OUTDOOR ADVERTISING," were recommitted to the Committee on Conference, with Representatives Belatti, Bertram, Brower, Lee, McKelvey, Morita, Pine, Takumi and Thielen, voting no, and with Representatives Nakasone and Wakai being excused.

At this time, the Chair discharged all House conferees for H.B. No. 1755, HD 1, SD 1.

SUSPENSION OF RULES

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing

to amendments proposed by the Senate to certain House bills. (Representatives Nakasone and Wakai were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Caldwell moved that the House reconsider its action previously taken in disagreeing to the amendments proposed by the Senate, and gave notice of intent to agree to such amendments for the following House bills, seconded by Representative B. Oshiro and carried. (Representatives Nakasone and Wakai were excused.)

H.B. No. 1755, HD 1, SD 1

H.B. No. 2387, HD 1, SD 2

H.B. No. 2710, HD 2, SD 2

H.B. No. 3150, HD 2, SD 1

DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

Representative Caldwell moved to agree to the amendments made by the Senate to the following House Concurrent Resolution, seconded by Representative B. Oshiro and carried. (Representatives Nakasone and Wakai were excused.)

H.C.R. No. 138, HD 2, (SD 1)

FINAL ADOPTION

The following House Concurrent Resolution was taken from the Clerk's desk and the following action taken:

H.C.R. No. 138, HD 2, SD 1

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the House agreed to the amendments proposed by the Senate to H.C.R. No. 138, HD 2, and H.C.R. No. 138, HD 2, S.D. 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNIVERSITY OF HAWAII JOHN A. BURNS SCHOOL OF MEDICINE'S TELEHEALTH RESEARCH INSTITUTE TO FORM A TASK FORCE TO REVIEW THE POTENTIAL EXPANSION OF THE CURRENT PRACTICES AND EQUIPMENT OF HAWAII'S TELEMEDICINE SYSTEM," was Adopted, with Representatives Nakasone and Wakai being excused.

At 5:22 o'clock p.m., Representative Chong requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:29 o'clock p.m.

At this time, the Chair announced:

"Members, with your indulgence, because this Chamber abides by the 48-hour notice on most of our bills to give notice to the Minority and Majority Caucuses, we also have another measure that is on your yellow Action Sheets. Please turn to H.B. No. 2605."

At this time, the Chair discharged all House conferees for H.B. No. 2605, HD 2, SD 1.

SUSPENSION OF RULES

On motion by Representative Caldwell, seconded by Representative B. Oshiro and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments proposed by the Senate to a certain House bill. (Representatives Nakasone and Wakai were excused.)

RECONSIDERATION OF ACTION TAKEN

Representative Caldwell moved that the House reconsider its action previously taken in disagreeing to the amendments proposed by the Senate, and gave notice of intent to agree to such amendments for the following House bill, seconded by Representative B. Oshiro and carried. (Representatives Nakasone and Wakai were excused.)

H.B. No. 2605, HD 2, SD 1

ANNOUNCEMENTS

Representative Har: "Thank you, Mr. Speaker. Mr. Speaker not only is today the 59th day of the Legislature, but it's also a very special day because several decades ago, one of our favorite colleagues was born on this day. And this colleague is somebody who we in the House can honestly say that we all really love this man. He has enlightened us with Ito-isms, and he continues to enlighten us as the Chair of Water, Land, Ocean Resources & Hawaiian Affairs. Colleagues please join me in wishing a very happy birthday to our favorite Representative from the Windward side, Ken Ito."

Representative Sonson: "Mr. Speaker and colleagues. I forgot that I needed to do this, and I'm going to take two minutes. I'm going to read really quickly, but I do have an announcement. I know we have smart people here according to Professor Boylan, but we also have very strong women in this particular Chamber. If you would permit me a brief announcement, I'd like to honor to two very special female colleagues in this Chamber.

"To make this announcement Mr. Speaker, I can't help but think back to the story of how the end of the world would be when all the human souls were brought to the gate of Saint Peter. All of the men would stand in one line, and all of the women stand in another. It is then that Saint Peter asked all the men who dominated their wives to stand in one line, and all of the men who were dominated by their wives to stand in another. Eventually all the women went in, and then with two lines which one line was men dominated by their wives stretched for miles. And the line of men who dominated their wives had only one man. It was then that God looked at the lone man and said, 'How is it possible? Tell me my son, what was your secret?' And the man answered, 'Hmm, I don't know. My wife just told me to stand here.'

"But Mr. Speaker with these thoughts in mind, I'd like to direct your attention to two female colleagues who were recognized this year on the Filipina Women's Network list of 100 Most Influential Women. The Filipina Women's Network or FWN is a nonprofit, professional organization for women of Filipino ancestry in the United States. The organization is unique in that it strives to reform long-held negative perceptions toward Filipinas, and to facilitate their entry in the positions of leadership in corporate, government and nonprofit organizations.

"Here we honor Representative Rida Cabanilla and Representative Kymberly Pine. These women of Philippine descent receive this recognition under the FWN category of Visionaries and Policy Makers. I'm extremely proud to recognize both of them, and it is an honor to know that there are people like them serving in government and representing the Filipino people excellence, and offering high professionalism. Because of the continuing efforts, future Filipino-Americans, male and female,

young and old, can carry on and not be afraid or ashamed of this professional path. Members will you please give them another round of applause."

Representative Brower: "Thank you, Mr. Speaker. In true fashion to this Representative who will be gone from this Chamber as a meeting ends, in just a 'puff of smoke'. I've asked Representative Bertram ten times, and he said it's his birthday today also. Can we please give him a round of applause?"

At 5:35 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:36 o'clock p.m.

ADJOURNMENT

At 5:36 o'clock p.m. on motion by Representative B. Oshiro, seconded by Representative Meyer and carried, the House of Representatives adjourned until 10:00 o'clock a.m., Thursday, May 1, 2008. (Representatives Nakasone, Saiki and Wakai were excused.)

HOUSE COMMUNICATIONS

"Legislative Communication

Hawaii State Legislature
State Capitol
Honolulu, Hawaii 96813

Communication from President Colleen Hanabusa
and Speaker Calvin K.Y. Say
dated April 26, 2008 12:05 a.m.
regarding the Extension of Conference Committee Deadlines

TO: Ms. Carol T. Taniguchi, Clerk of the Senate
Ms. Patricia Mau-Shimizu, Clerk of the House

We hereby amend the Joint 2007 Legislative Calendar as follows:

The Final Decking deadline of April 27, 2007 12:00 midnight previously agreed upon notwithstanding, committees on conference shall be allowed to continue the preparation of conference drafts and the signing of conference committee reports for measures agreed upon prior to 12:00 midnight. Agreed upon and signed conference committee reports shall be submitted to your respective offices by 12:00 noon on April 28, 2008.

Said measures submitted to your respective offices by 12:00 noon on April 26, 2008 shall be officially filed on Tuesday, April 29, 2008 at 8:00 a.m. for compliance with Section 15 of the Hawaii State Constitution.

/s/	/s/
Colleen Hanabusa	Calvin K.Y. Say
Senate President	House Speaker"

House Communication dated April 29, 2008, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has made the following changes to the conferees on the following measures:

H.B. No. 1755, Discharged all Conferees.
HD 1, SD 1

H.B. No. 2605, Discharged all Conferees.
HD 2, SD 1

House Communication dated April 29, 2008, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the following bills have this day passed Final Reading in the House of Representatives:

H.B. No. 0094, HD 1, SD 2, CD 1
H.B. No. 0118, SD 1, CD 1
H.B. No. 0523, HD 2, SD 1, CD 1
H.B. No. 0660, SD 1, CD 1
H.B. No. 0661, HD 1, SD 3, CD 1
H.B. No. 0931, HD 1, SD 1, CD 1
H.B. No. 1153, SD 1, CD 1
H.B. No. 1356, HD 2, SD 2, CD 1
H.B. No. 1365, SD 2, CD 1
H.B. No. 2062, HD 1, SD 2, CD 1
H.B. No. 2139, HD 2, SD 1, CD 1
H.B. No. 2204, HD 1, SD 1, CD 1
H.B. No. 2245, HD 1, SD 2, CD 1
H.B. No. 2253, HD 2, SD 1, CD 1
H.B. No. 2255, HD 2, SD 2, CD 1
H.B. No. 2272, HD 2, SD 2, CD 1
H.B. No. 2346, HD 2, SD 2, CD 1
H.B. No. 2366, SD 1, CD 1
H.B. No. 2372, HD 2, SD 2, CD 1
H.B. No. 2386, SD 2, CD 1
H.B. No. 2388, HD 1, SD 2, CD 1
H.B. No. 2438, HD 2, SD 2, CD 1
H.B. No. 2450, HD 1, SD 2, CD 1
H.B. No. 2486, SD 1, CD 1
H.B. No. 2492, HD 1, SD 1, CD 1
H.B. No. 2500, HD 1, SD 1, CD 1
H.B. No. 2519, HD 2, SD 2, CD 1
H.B. No. 2520, HD 3, SD 2, CD 1
H.B. No. 2550, HD 2, SD 2, CD 1
H.B. No. 2557, HD 1, SD 1, CD 1
H.B. No. 2661, HD 2, SD 2, CD 1
H.B. No. 2697, HD 1, SD 1, CD 1
H.B. No. 2700, HD 1, SD 2, CD 1
H.B. No. 2727, HD 2, SD 1, CD 1
H.B. No. 2730, HD 1, SD 1, CD 1
H.B. No. 2739, HD 1, SD 2, CD 1
H.B. No. 2761, HD 1, SD 1, CD 1
H.B. No. 2763, HD 1, SD 1, CD 1
H.B. No. 2772, HD 3, SD 1, CD 1
H.B. No. 2781, HD 2, SD 2, CD 1
H.B. No. 2847, SD 1, CD 1
H.B. No. 2920, SD 1, CD 1
H.B. No. 2953, SD 1, CD 1
H.B. No. 2972, HD 1, SD 2, CD 1
H.B. No. 2977, HD 1, SD 1, CD 1
H.B. No. 2978, HD 1, SD 2, CD 1
H.B. No. 3002, HD 1, SD 1, CD 1
H.B. No. 3040, HD 1, SD 1, CD 1
H.B. No. 3126, SD 2, CD 1
H.B. No. 3173, HD 1, SD 1, CD 1
H.B. No. 3174, HD 1, SD 1, CD 1
H.B. No. 3175, HD 1, SD 1, CD 1
H.B. No. 3177, HD 1, SD 2, CD 1
H.B. No. 3178, SD 2, CD 1
H.B. No. 3179, SD 1, CD 1
H.B. No. 3249, HD 1, SD 1, CD 1
H.B. No. 3331, HD 2, SD 2, CD 2
H.B. No. 3383, SD 1, CD 1
H.B. No. 3386, HD 1, SD 2, CD 1
S.B. No. 0069, SD 2, HD 3, CD 1
S.B. No. 0988, SD 2, HD 3, CD 1
S.B. No. 1035, SD 1, HD 1, CD 1
S.B. No. 1337, HD 1, CD 1

S.B. No. 1487, SD 2, HD 2, CD 1
S.B. No. 1526, SD 2, HD 3, CD 1
S.B. No. 1793, SD 1, HD 1, CD 1
S.B. No. 1802, HD 1, CD 1
S.B. No. 1891, SD 1, HD 1, CD 1
S.B. No. 1961, SD 1, HD 1, CD 1
S.B. No. 2004, SD 2, HD 2, CD 1
S.B. No. 2041, HD 1, CD 1
S.B. No. 2054, SD 2, HD 2, CD 1
S.B. No. 2055, SD 2, HD 2, CD 1
S.B. No. 2080, SD 2, HD 2, CD 1
S.B. No. 2150, SD 2, HD 2, CD 1
S.B. No. 2157, SD 1, HD 2, CD 1
S.B. No. 2163, SD 1, HD 1, CD 1
S.B. No. 2196, SD 2, HD 2, CD 1
S.B. No. 2212, SD 1, HD 2, CD 1
S.B. No. 2218, SD 1, HD 2, CD 1
S.B. No. 2293, SD 1, HD 1, CD 1
S.B. No. 2314, SD 1, HD 2, CD 1
S.B. No. 2334, SD 2, HD 1, CD 1
S.B. No. 2341, SD 1, HD 1, CD 1
S.B. No. 2345, SD 1, HD 1, CD 1
S.B. No. 2365, SD 1, HD 1, CD 1
S.B. No. 2373, SD 1, HD 2, CD 1
S.B. No. 2396, SD 1, HD 3, CD 1
S.B. No. 2434, HD 1, CD 1
S.B. No. 2449, SD 2, HD 2, CD 1
S.B. No. 2456, SD 2, HD 1, CD 1
S.B. No. 2459, SD 2, HD 1, CD 1
S.B. No. 2542, SD 2, HD 2, CD 1
S.B. No. 2546, SD 2, HD 1, CD 1
S.B. No. 2644, SD 1, HD 1, CD 1
S.B. No. 2652, SD 2, HD 2, CD 1
S.B. No. 2663, SD 2, HD 2, CD 1
S.B. No. 2668, SD 2, HD 1, CD 1
S.B. No. 2730, SD 2, HD 2, CD 1
S.B. No. 2768, SD 2, HD 1, CD 1
S.B. No. 2785, SD 1, HD 1, CD 1
S.B. No. 2803, SD 1, HD 1, CD 1
S.B. No. 2824, SD 2, HD 1, CD 1
S.B. No. 2825, SD 1, HD 2, CD 1
S.B. No. 2826, SD 2, HD 1, CD 1
S.B. No. 2827, SD 1, HD 1, CD 1
S.B. No. 2830, SD 2, HD 2, CD 1
S.B. No. 2833, SD 1, HD 1, CD 1
S.B. No. 2838, SD 2, HD 1, CD 1
S.B. No. 2840, SD 2, HD 1, CD 1
S.B. No. 2843, SD 2, HD 3, CD 1
S.B. No. 2849, SD 1, HD 1, CD 1
S.B. No. 2867, SD 2, HD 2, CD 1
S.B. No. 2876, HD 2, CD 1
S.B. No. 2878, SD 2, HD 2, CD 1
S.B. No. 2879, SD 2, HD 1, CD 1
S.B. No. 2895, SD 1, HD 1, CD 1
S.B. No. 2933, SD 2, HD 2, CD 1
S.B. No. 2961, SD 2, HD 2, CD 1
S.B. No. 2977, SD 1, HD 2, CD 1
S.B. No. 3001, SD 2, HD 2, CD 1
S.B. No. 3009, SD 2, HD 2, CD 1
S.B. No. 3051, SD 2, HD 1, CD 1
S.B. No. 3061, HD 1, CD 1
S.B. No. 3069, SD 2, HD 1, CD 1
S.B. No. 3076, HD 1, CD 1
S.B. No. 3087, SD 1, HD 1, CD 1
S.B. No. 3092, SD 1, HD 1, CD 1
S.B. No. 3102, SD 2, HD 1, CD 1
S.B. No. 3166, HD 1, CD 1
S.B. No. 3171, SD 2, HD 2, CD 1
S.B. No. 3203, SD 1, HD 1, CD 1
S.B. No. 3227, SD 2, HD 1, CD 1
S.B. No. 3255, SD 2, HD 2, CD 1

House Communication dated April 29, 2008, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 2164, HD 1, SD 1
H.B. No. 2224, HD 1, SD 2
H.B. No. 2271, HD 1, SD 2
H.B. No. 2547, SD 1
H.B. No. 2614, SD 1
H.B. No. 2929, HD 1, SD 1
H.B. No. 2954, SD 1
H.B. No. 2955, HD 1, SD 1
H.B. No. 2971, HD 1, SD 2
H.B. No. 3085, HD 2, SD 1
H.B. No. 3191, HD 1, SD 2

House Communication dated April 29, 2008, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate, on March 6, 2008, and gives notice of intent to agree for the following House Bill:

H.B. No. 1755, HD 1, SD 1

House Communication dated April 29, 2008, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House reconsidered its action taken in disagreeing to the amendments made by the Senate, on April 10, 2008, and gives notice of intent to agree for the following House Bills:

H.B. No. 2387, HD 1, SD 2
H.B. No. 2605, HD 2, SD 1
H.B. No. 2710, HD 2, SD 2
H.B. No. 3150, HD 2, SD 1

House Communication dated April 29, 2008, from Patricia Mau-Shimizu, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has agreed to the amendments made by the Senate and has this day adopted the following House Concurrent Resolution:

H.C.R. No. 138, HD 2, SD 1