

TENTH DAY

Wednesday, February 3, 2010

The House of Representatives of the Twenty-Fifth Legislature of the State of Hawaii, Regular Session of 2010, convened at 11:34 o'clock a.m., with Vice Speaker Magaoay presiding.

Representative Ito introduced his former student, Mr. Kurt Lajala, who delivered the invocation, after which the Roll was called showing all Members present with the exception of Representative Cabanilla, who was excused.

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

SENATE COMMUNICATIONS

The following communication from the Senate (Sen. Com. No. 7) was received and announced by the Clerk:

Sen. Com. No. 7, transmitting S.B. No. 2266, entitled: "A BILL FOR AN ACT RELATING TO DRIVER LICENSING," which passed Third Reading in the Senate on February 2, 2010.

On motion by Representative Evans, seconded by Representative Pine and carried, the following Senate Bill passed First Reading by title and further action was deferred: (Representative Cabanilla was excused.)

S.B. No. 2266

ORDER OF THE DAY

COMMITTEE ASSIGNMENTS

The following measure was referred to committee by the Speaker:

<u>S.B. No.</u>	<u>Referred to:</u>
2266	Committee on Health, then to the Committee on Transportation

COMMITTEE REASSIGNMENTS

The following measures were re-referred to committee by the Speaker:

<u>H.B. Nos.</u>	<u>Re-referred to:</u>
146	Committee on Judiciary, then to the Committee on Finance
745, HD1	Committee on Human Services, then to the Committee on Finance
2691	Jointly to the Committee on Consumer Protection & Commerce and the Committee on Judiciary, then to the Committee on Finance
2906	Committee on Consumer Protection & Commerce
2918	Jointly to the Committee on Water, Land, & Ocean Resources and the Committee on Housing

STANDING COMMITTEE REPORTS

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 57-10) recommending that H.B. No. 2433,

pass Second Reading and be referred to the Committee on Energy & Environmental Protection.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2433, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Second Reading and was referred to the Committee on Energy & Environmental Protection.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 58-10) recommending that H.B. No. 2603, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2603, HD 1, entitled: "A BILL FOR AN ACT RELATING TO COST SHARING IN THE RELOCATION AND UNDERGROUNDING OF UTILITY FACILITIES," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 59-10) recommending that H.B. No. 2752, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2752, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAY SAFETY," passed Second Reading and was referred to the Committee on Judiciary.

Representative Hanohano, for the Committee on Public Safety presented a report (Stand. Com. Rep. No. 60-10) recommending that H.B. No. 2150, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2150, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CRIME," passed Second Reading and was referred to the Committee on Judiciary.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 61-10) recommending that H.B. No. 1883, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1883, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES CONTRACTS," passed Second Reading and was referred to the Committee on Finance.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 62-10) recommending that H.B. No. 1884, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1884, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC VIOLENCE," passed Second Reading and was referred to the Committee on Judiciary.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 63-10) recommending that H.B. No. 1913, as amended in HD 1, pass Second Reading and be referred to the Committee on Labor & Public Employment.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No.

1913, HD 1, entitled: "A BILL FOR AN ACT RELATING TO UNEMPLOYMENT INSURANCE," passed Second Reading and was referred to the Committee on Labor & Public Employment.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 64-10) recommending that H.B. No. 2255, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2255, entitled: "A BILL FOR AN ACT RELATING TO CRIMINAL HISTORY RECORD CHECKS," passed Second Reading and was referred to the Committee on Judiciary.

Representative Ito, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 65-10) recommending that H.B. No. 2583, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2583, entitled: "A BILL FOR AN ACT RELATING TO IMPOUNDED VESSELS," passed Second Reading and was referred to the Committee on Judiciary.

Representative Ito, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 66-10) recommending that H.B. No. 1775, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1775, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FISHING," passed Second Reading and was referred to the Committee on Judiciary.

Representative Ito, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 67-10) recommending that H.B. No. 2347, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2347, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE MAXIMUM TERM OF COMMERCIAL USE AND OPERATOR PERMITS FOR THRILL CRAFT AND PARASAILING," passed Second Reading and was referred to the Committee on Finance.

Representative Hanohano, for the Committee on Public Safety presented a report (Stand. Com. Rep. No. 68-10) recommending that H.B. No. 2276, pass Second Reading and be referred to the Committee on Legislative Management.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2276, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Second Reading and was referred to the Committee on Legislative Management.

Representative Hanohano, for the Committee on Public Safety presented a report (Stand. Com. Rep. No. 69-10) recommending that H.B. No. 1987, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1987, HD 1, pass Second Reading and be referred to the Committee on Judiciary, seconded by Representative Evans.

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

"Mr. Speaker. On Stand. Com. Report No. 69-10, I stand in strong support. I'd like to say that this is a good, strong bill, but I'd like to see it be even stronger by including a total ban on fireworks. 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. 1987, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREWORKS," passed Second Reading and was referred to the Committee on Judiciary.

Representative Souki, for the Committee on Transportation presented a report (Stand. Com. Rep. No. 70-10) recommending that H.B. No. 2776, pass Second Reading and be referred to the Committee on Judiciary.

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 2776, pass Second Reading and be referred to the Committee on Judiciary, seconded by Representative Evans.

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

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

"Thank you, Mr. Speaker. This is on Stand. Com. Report No. 70-10. I will be voting no as I have in the past on this bill, in last year's Legislative Session and the year before that. I will also enter my remarks into the Journal," and the Chair "so ordered."

Representative Finnegan's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in opposition to this bill, as I have consistently done every Session that it has been introduced. If someone has committed an offense so terrible that their license is revoked for life, then it should remain revoked for life. There is absolutely no reason to water down existing law with respect to this issue. Good behavior after the offense does not necessarily make up for the situation that dictated revocation of the license. Driving is a privilege, not a right. If you lose privilege, you lose that privilege and adjust your life accordingly."

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

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

Representative Ching's written remarks are as follows:

"Thank you, Mr. Speaker. I stand in opposition of H.B. 2776 – which permits drivers whose license has been administratively revoked for life to seek reinstatement of the license after 10 years have passed since the lifetime revocation. It also requires drivers to have had no arrests or convictions for driving while their license was revoked and be free from dependency or abuse of alcohol and drugs.

"I strongly believe that those who have chosen to drive under the influence of alcohol have put the lives of other drivers in danger, and there is no guarantee that these individuals will not do this again. DUI related fatalities are becoming common occurrences, and no legislation should be passed that has the potential to add to these numbers.

"As stated by the Department of Transportation, this measure will also impair the deterrent effect of a lifetime revocation, undermining the absolute nature of this revocation. I agree with the Department of Transportation, MADD, and other testifiers who have stated that the issue of lifetime revocation should be addressed using the ignition interlock system when it becomes available in the State.

"Lastly, H.B. 2776 will not only put dangerous drivers back on the road, but will also show disrespect and offense towards MADD and other anti-drinking advocates.

"Driving while intoxicated is a serious problem in our State, and those who violate these laws should be punished fittingly. Any lenience on these

punishments has the potential to result in the fatalities of other drivers on the road. 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. 2776, entitled: "A BILL FOR AN ACT RELATING TO ADMINISTRATIVE LICENSE REVOCATION," passed Second Reading and was referred to the Committee on Judiciary, with Representatives Ching and Finnegan voting no.

Representatives Mizuno and Yamane, for the Committee on Human Services and the Committee on Health presented a report (Stand. Com. Rep. No. 71-10) recommending that H.B. No. 2091, pass Second Reading and be referred to the Committee on Finance.

Representative B. Oshiro moved that the report of the Committees be adopted, and that H.B. No. 2091, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

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

"Thank you, Mr. Speaker. On Stand. Com. Report 71-10, I will vote with reservations and would like to give short comments. Thank you, Mr. Speaker. You know, this is presumptive eligibility and as we know, we are having a very difficult time with the possibility of delayed payments and all kinds of issues regarding Medicaid. So I think moving forward, although I'm with reservations for now, I will see it in the Finance Committee and I am really concerned about moving anything forward that will cost us more money. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committees was adopted and H.B. No. 2091, entitled: "A BILL FOR AN ACT RELATING TO MEDICAID ELIGIBILITY," passed Second Reading and was referred to the Committee on Finance.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 72-10) recommending that H.B. No. 2798, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2798, entitled: "A BILL FOR AN ACT RELATING TO THE COMMISSION ON FATHERHOOD," passed Second Reading and was referred to the Committee on Finance.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 73-10) recommending that H.B. No. 2158, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2158, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Second Reading and was referred to the Committee on Finance.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 74-10) recommending that H.B. No. 2796, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2796, entitled: "A BILL FOR AN ACT RELATING TO DOMESTIC ABUSE ORDERS," passed Second Reading and was referred to the Committee on Judiciary.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 75-10) recommending that H.B. No. 2250, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2250, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM CHILD ABDUCTION PREVENTION ACT," passed Second Reading and was referred to the Committee on Judiciary.

Representative Carroll, for the Committee on Hawaiian Affairs presented a report (Stand. Com. Rep. No. 76-10) recommending that H.B. No. 1971, as amended in HD 1, pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources.

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 1971, HD 1, pass Second Reading and be referred to the Committee on Water, Land, & Ocean Resources, seconded by Representative Evans.

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

"Mr. Speaker, I rise with brief comments on Stand. Com. Report 76-10, Relating to the Department of Hawaiian Home Lands. With reservations. Mr. Speaker, we committed in, I think the year 1920, to build homes on Hawaiian Reservations for Hawaiians. The list still has 25,000 people. It's huge. It's embarrassing, but so is our financial condition right now and this bill says we're going to take 5% and put it for that purpose. A great purpose, but at a time that is untimely and probably totally impossible. So as this moves along, I'm afraid that it may cause a lot of disappointment and so I just wanted to tag it and flag it right 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. 1971, HD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPARTMENT OF HAWAIIAN HOME LANDS," passed Second Reading and was referred to the Committee on Water, Land, & Ocean Resources.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 77-10) recommending that H.B. No. 2473, pass Second Reading and be referred to the Committee on Economic Revitalization, Business, & Military Affairs.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2473, entitled: "A BILL FOR AN ACT RELATING TO WORKPLACE PRACTICES," passed Second Reading and was referred to the Committee on Economic Revitalization, Business, & Military Affairs.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 78-10) recommending that H.B. No. 2101, pass Second Reading and be referred to the Committee on Legislative Management.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2101, entitled: "A BILL FOR AN ACT RELATING TO CUSTOMER SERVICE," passed Second Reading and was referred to the Committee on Legislative Management.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 79-10) recommending that H.B. No. 2637, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2637, entitled: "A BILL FOR AN ACT RELATING TO MEDICAL AND REHABILITATION BENEFITS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 80-10)

recommending that H.B. No. 2897, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2897, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 81-10) recommending that H.B. No. 2102, as amended in HD 1, pass Second Reading and be referred to the Committee on Consumer Protection & Commerce.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2102, HD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTORS," passed Second Reading and was referred to the Committee on Consumer Protection & Commerce.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 82-10) recommending that H.B. No. 2636, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2636, entitled: "A BILL FOR AN ACT RELATING TO DISLOCATED WORKERS," passed Second Reading and was referred to the Committee on Judiciary.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 83-10) recommending that H.B. No. 2858, pass Second Reading and be referred to the Committee on Judiciary.

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 2858, pass Second Reading and be referred to the Committee on Judiciary, seconded by Representative Evans.

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

"I'm rising with reservations, Mr. Speaker. I believe that in a situation like this that we just experienced during this last break, that we had a situation where we had furloughs and the Governor was talking about how to deal with the budget, that maybe we should take a look at not only furloughs, but pay cuts in negotiations and all those things that were going on. I believe that furloughs should be a means for us to help balance the budget. And so from what I can see in this bill, it's clarifying this, which I don't agree with. So I'm going to be voting with reservations and taking some time to look at this further. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2858, entitled: "A BILL FOR AN ACT RELATING TO FURLOUGHS," passed Second Reading and was referred to the Committee on Judiciary.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 84-10) recommending that H.B. No. 1687, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1687, HD 1, entitled: "A BILL FOR AN ACT RELATING TO SICK LEAVE," passed Second Reading and was referred to the Committee on Judiciary.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 85-10) recommending that H.B. No. 2935, as amended in HD 1, pass Second Reading and be referred to the Committee on Judiciary.

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 2935, HD 1, pass Second Reading and be referred to the Committee on Judiciary, seconded by Representative Evans.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2935, HD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYMENT PRACTICES," passed Second Reading and was referred to the Committee on Judiciary.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 86-10) recommending that H.B. No. 2100, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 2100, HD 1, entitled: "A BILL FOR AN ACT RELATING TO WAGES AND HOURS OF EMPLOYEES ON SERVICE CONTRACTS," passed Second Reading and was referred to the Committee on Finance.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 87-10) recommending that H.B. No. 2258, as amended in HD 1, pass Second Reading and be referred to the Committee on Finance.

Representative B. Oshiro moved that the report of the Committee be adopted, and that H.B. No. 2258, HD 1, pass Second Reading and be referred to the Committee on Finance, seconded by Representative Evans.

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

"I would like to speak in opposition to Stand. Com. Report 87, House Bill 2258, House Draft 1. This apparently sets up a new insurance program for family leave and that is probably a very good purpose and probably one that will help more women than men. But my notes show that it would cost employees and employers no more than about \$2,000 a year, and I don't know whether that means both of them together or either group separately.

"The benefits will be no more than \$250 a week so that would be \$1,000. It just seems to be extremely onerous to have employers have to pay into a new program at this time when the economy is so weak and businesses are weaker.

"Also I notice this bill goes on to the Finance Committee and I do not sit on that Committee. This is an insurance program and I think it should come before the Consumer Protection Committee, where I could examine it at closer length. But on the face of it at this time and this rushed circumstance, I will be voting no. Thank you."

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 2258, HD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY LEAVE INSURANCE," passed Second Reading and was referred to the Committee on Finance, with Representative Marumoto voting no.

Representative Rhoads, for the Committee on Labor & Public Employment presented a report (Stand. Com. Rep. No. 88-10)

recommending that H.B. No. 1904, pass Second Reading and be referred to the Committee on Finance.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 1904, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Second Reading and was referred to the Committee on Finance.

Representative Mizuno, for the Committee on Human Services presented a report (Stand. Com. Rep. No. 89-10) recommending that H.B. No. 745, as amended in HD 1, be recommitted to the Committee on Human Services.

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, the report of the Committee was adopted and H.B. No. 745, HD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," was recommitted to the Committee on Human Services.

Representative Ito, for the Committee on Water, Land, & Ocean Resources presented a report (Stand. Com. Rep. No. 90-10) recommending that S.B. No. 1311, SD 1, as amended in HD 1, pass Third Reading.

By unanimous consent, consideration of Stand. Com. Rep. No. 90-10 on S.B. No. 1311, SD 1, HD 1, was deferred and in accordance with Article III, Section 15 of the Constitution of the State of Hawaii, printed copies of S.B. No. 1311, SD 1, HD 1, were made available to the Members of the House.

SUSPENSION OF RULES

On motion by Representative Evans, seconded by Representative Pine and carried, the rules were suspended for the purpose of considering certain House Bills for Third Reading by consent calendar.

THIRD READING

H.B. No. 2027, HD 1:

Representative B. Oshiro moved that H.B. No. 2027, HD 1, pass Third Reading, seconded by Representative Evans.

At 11:49 o'clock a.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 11:50 o'clock a.m.

The motion was put to vote by the Chair and carried, and H.B. No. 2027, HD 1, entitled: "A BILL FOR AN ACT RELATING TO DISHONORED CHECKS," passed Third Reading by a vote of 51 ayes.

H.B. No. 2017:

On motion by Representative B. Oshiro, seconded by Representative Evans and carried, H.B. No. 2017, entitled: "A BILL FOR AN ACT RELATING TO COUNTIES," passed Third Reading by a vote of 51 ayes.

H.B. No. 2028:

Representative B. Oshiro moved that H.B. No. 2028, pass Third Reading, seconded by Representative Evans.

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

"Thank you Mr. Speaker. I would like a ruling on a potential conflict of interest. I'm an insurance broker," and the Chair ruled "no conflict."

The motion was put to vote by the Chair and carried, and H.B. No. 2028, entitled: "A BILL FOR AN ACT RELATING TO GROUP LIFE INSURANCE," passed Third Reading by a vote of 51 ayes.

At 11:51 o'clock a.m., the Chair noted that the following bills passed Third Reading:

H.B. No. 2027, HD 1

H.B. No. 2017

H.B. No. 2028

INTRODUCTION OF RESOLUTIONS

By unanimous consent, the following resolutions (H.R. Nos. 17 through 21) and concurrent resolutions (H.C.R. Nos. 56 through 61) were referred to Printing and further action was deferred:

H.R. No. 17, entitled: "HOUSE RESOLUTION REQUESTING THE HAWAII PUBLIC HOUSING AUTHORITY AND THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO CREATE A REDEVELOPMENT MASTER PLAN FOR KUKUI GARDENS AND MAYOR WRIGHT HOMES," was offered by Representative Rhoads.

H.R. No. 18, entitled: "HOUSE RESOLUTION RECOGNIZING SEPTEMBER 2010 AS EDUCATION AWARENESS AND APPRECIATION MONTH IN HAWAII," was jointly offered by Representatives Mizuno, Hanohano, Manahan, Pine, Thielen and Ward.

H.R. No. 19, entitled: "HOUSE RESOLUTION RECOGNIZING APRIL AS SEXUAL ASSAULT AWARENESS AND PREVENTION MONTH," was jointly offered by Representatives Mizuno, Belatti, Hanohano, Pine and Thielen.

H.R. No. 20, entitled: "HOUSE RESOLUTION AFFIRMING THE PARENTAL RIGHTS AMENDMENT TO THE UNITED STATES CONSTITUTION AND URGING THE UNITED STATES CONGRESS TO PROPOSE THIS CONSTITUTIONAL AMENDMENT TO THE STATES FOR RATIFICATION," was jointly offered by Representatives Mizuno, Brower, Finnegan, Pine, Ward and Souki.

H.R. No. 21, entitled: "HOUSE RESOLUTION REQUESTING THE AUDITOR TO PERFORM A FINANCIAL AND MANAGEMENT AUDIT OF THE CHILD SUPPORT ENFORCEMENT AGENCY," was jointly offered by Representatives Mizuno, Pine and Hanohano.

H.C.R. No. 56, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING A FINANCIAL AND MANAGEMENT AUDIT OF THE DEPARTMENT OF EDUCATION," was jointly offered by Representatives Berg, Carroll, Chang, Coffman, Evans, Hanohano, C. Lee, Manahan, McKelvey, Nakashima, Takumi, Wakai, Morita and Sagum.

H.C.R. No. 57, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE HAWAII PUBLIC HOUSING AUTHORITY AND THE HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION TO CREATE A REDEVELOPMENT MASTER PLAN FOR KUKUI GARDENS AND MAYOR WRIGHT HOMES," was offered by Representative Rhoads.

H.C.R. No. 58, entitled: "HOUSE CONCURRENT RESOLUTION RECOGNIZING SEPTEMBER 2010 AS EDUCATION AWARENESS AND APPRECIATION MONTH IN HAWAII," was jointly offered by Representatives Mizuno, Hanohano, C. Lee, Manahan, Pine and Thielen.

H.C.R. No. 59, entitled: "HOUSE CONCURRENT RESOLUTION RECOGNIZING APRIL AS SEXUAL ASSAULT AWARENESS AND PREVENTION MONTH," was jointly offered by Representatives Mizuno, Awana, Belatti, Hanohano, C. Lee, Pine and Thielen.

H.C.R. No. 60, entitled: "HOUSE CONCURRENT RESOLUTION AFFIRMING THE PARENTAL RIGHTS AMENDMENT TO THE UNITED STATES CONSTITUTION AND URGING THE UNITED STATES CONGRESS TO PROPOSE THIS CONSTITUTIONAL AMENDMENT TO THE STATES FOR RATIFICATION," was jointly offered by Representatives Mizuno, Brower, Finnegan, Pine, Ward and Souki.

H.C.R. No. 61, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE AUDITOR TO PERFORM A FINANCIAL AND MANAGEMENT AUDIT OF THE CHILD SUPPORT ENFORCEMENT AGENCY," was jointly offered by Representatives Mizuno, Hanohano, Pine and Thielen.

LATE INTRODUCTIONS

The following late introduction was made to the Members of the House:

Representative Cabanilla introduced her staff member, Mr. Patrocino Bolo.

RECESS

At 11:53 o'clock a.m., the Chair declared a recess and the House of Representatives stood in recess subject to the call of the Chair, and in accordance with Senate Concurrent Resolution No. 2, met in Joint Session with the Senate to receive the President of the University of Hawaii System's State of the University Address in the Senate Chambers.

JOINT SESSION

The Joint Session of the Senate and the House of Representatives of the Twenty-Fifth Legislature of the State of Hawaii, Regular Session of 2010 was called to order at 12:10 o'clock p.m. by the Honorable Colleen Hanabusa, President of the Senate.

The Senate President then welcomed and recognized the following honored guests:

The Honorable Linda Lingle, Governor of the State of Hawaii, who was presented a lei by Senator Norman Sakamoto;

The Honorable Ronald T.Y. Moon, Chief Justice of the Hawaii State Supreme Court, who was presented a lei by Representative Cindy Evans;

The Senate President then welcomed and recognized the following distinguished guests:

Ms. Jennifer Sabas, representing United States Senator Daniel Inouye;

Mr. Mike Kitamura, representing United States Senator Daniel Akaka;

Ms. Amy Asselbayer, representing United States Congressman Neil Abercrombie;

Major General Jan-Marc Jouas, representing The United States Pacific Air Forces;

Ms. Janice Nielsen, representing The United States Army, Pacific;

The Honorable Hajime Kido, Deputy Consul General of Japan;

The Honorable Paul Raymond Cortes, Consul of the Philippines; and

Dr. Kenneth Mortimer, Former President of the University of Hawaii System.

President Hanabusa then called upon Senators Jill Tokuda, Gary Hooser and Sam Slom, and Representatives Jerry L. Chang, Blake K. Oshiro and Lynn Finnegan to escort Dr. M.R.C. Greenwood, President of the University of Hawaii System, to the rostrum where she was presented leis by Senator Russell Kokubun and Representative Michael Y. Magaoy.

President Hanabusa then presented to the Members of the Twenty-Fifth Legislature and the audience, Dr. M.R.C. Greenwood, President of the University of Hawaii System.

The President of the University of Hawaii System then addressed the Joint Session as follows:

"President Hanabusa, Speaker Say, Governor Lingle, distinguished Members of the Legislature, State Cabinet members and members of other government agencies, special guests from our education, labor, business and military communities, and to the people of Hawai'i, good afternoon and *aloha*.

"I wish to also extend greetings to our University of Hawai'i guests, administrators and campus chancellors, faculty, staff, students, and now I would like to ask the members of the University of Hawaii Board of Regents and our Emeriti Regents to please stand and be recognized.

"First, let me thank you, the Hawai'i State Legislature, for affording me the privilege and the honor of being the first University of Hawai'i President to address a Joint Session of the Legislature. I sincerely appreciate this opportunity to share with you the accomplishments of the University and to reflect on the path ahead at this very critical juncture.

"I am grateful for the warm welcome I have received here in Hawai'i, and for the wise counsel and guidance that I have received from many of you here.

"Thank you also for all that you have done to support the University of Hawai'i, our mission and our aspirations. Without your efforts, and the efforts of those before you, we would not be the strong, vibrant institution we are today.

"I come before you today to focus our attention on what it means to this State to have a sole system of public higher education and the role of such an institution plays in our State.

"We have a world-renowned research campus, the University of Hawaii at Manoa, with new and exciting options for baccalaureate and applied advanced degrees at Manoa, but also at Hilo and West Oahu. And we have seven strong, successful community colleges, and our research and education centers here in Hawai'i. Our system is vital, vital to the State's future and I want to make it clear that the University of Hawai'i System is part of the solution to our current economic problem.

"Now indeed, education is the key to a better future for our society, for generations, for what our society calls "the American dream." Public higher education provides even more so a critical foundation in our rapidly changing global environment.

"Now the best universities provide the infrastructure and the environment to inspire collaboration both within and outside of their institutional boundaries.

"Now you may not know this, but creative knowledge generation is a contact sport, and while much of it is now virtual, the spirit of debate and discovery changes lives and worlds.

"Now you know great universities stimulate innovation and they transform markets. For example, while a faculty member at the University of Hawaii at Mānoa, Dr. Norm Abramson pioneered a method of data packet transmission, still known globally as the Aloha protocol, which was essential in creating the modern Internet. Another UH Mānoa researcher, Dr. Dorsey Stuart, a former research dean at the John A. Burns School of Medicine, developed a technology, along with his graduate research associate, that forms the basis for the Digene HPV test — the only test for

human papillomavirus accepted in the United States and Europe. This test allows doctors to save hundreds, if not thousands of women's lives.

"These ideas, and others like them, started in universities around the world, and they have spawned great industries, reshaped our economy. Individuals, businesses, states and the federal government gained wealth, and the work of a large segment of our market was revolutionized.

"On the other hand, sometimes out of our universities come ideas that at the time may be dismissed as too academic. One of those ideas was that women were as smart as men and could do the jobs that men did just as well.

"When I graduated from college, fewer than five percent of medical school students were women; vet schools and law schools had even less. Today, my granddaughter, your granddaughters, your children, all make up more than 50 percent of students in these bastions of higher education. So those who persisted in this notion that women should be treated equally prevailed, and while I could argue that we still have a ways to go with "equal pay for equal work," I again point out that this "theory" of equality was rooted and matured in our universities and it has permanently changed our society.

"Now another "academic" concept introduced even earlier than that was that access to education and a better future should be possible for the general population — not just the well off. Thus, the great land grant institutions were established, such as the University of Hawaii, and they emerged to teach a broader spectrum of the population not only the great books and languages of Western civilization, but also what was called then the agricultural and mechanical arts. And it advanced with the uniquely American community colleges with open doors and low tuition that ensured that anyone with the desire and the determination could attain a post-secondary education and training. That was unique for the United States. Most countries don't have that. Subsequently, many institutions were further shaped by public policies, such as the GI Bill and Title IX, the groundbreaking legislation resulting from the work of Hawai'i's own Patsy Mink.

"As we advance the nation's international goals, we also look to education as a tool to advance democracy. In the future, all great universities will be global universities. Fortunately, the University of Hawaii already is. Secretary of State Hillary Clinton acknowledged this in her recent speech here at the East-West Center. She cited the transformative influence of a University of Hawai'i alumna who spent years working on rural development, micro-finance and women's welfare. This woman recognized that educating women in particular could revolutionize how money and power are distributed and provide a ladder to success for those to come. Her ideas did not make her personally wealthy, but they changed many lives for the better. This alumna was none other than Ann Dunham, the mother of President Barack Obama.

"So what do these examples demonstrate? Well, one thing they demonstrate is that you cannot put a price on the value of innovative ideas; you can't command that great ideas appear; you can't quantify necessarily what it means to have a well-educated public. However, states can make it easier for universities to adapt in order to accomplish these aims.

"They also demonstrate that we should appreciate what makes public universities great, and realize what our world would be without them. We should appreciate and honor the numerous individuals that make public universities what they are — the faculty, the students, administrators, staff and alumni who are our greatest and most valuable assets, enduring and resilient.

"So, while I talk today about the important role that the University of Hawaii plays and the significant return on your investment that it provides, especially in the midst of this recession, I urge you to think of all those who have directly helped the University of Hawaii in our recently completed Centennial Campaign. This campaign attracted 90,000 donors — 50,000 of them new — and it raised \$336 million, largely for students and faculty.

"The Legislature itself is a perfect example that we're doing something right. Nearly 70 percent of you are University of Hawaii alumni. And, I should also point out that all four of our Congressional delegates are University of Hawaii alums. So would all the Members of the Legislature who attended or are alums of the University of Hawaii please stand? And now would all UH alumni please stand? There is no better way to say that we are you.

"So nearly two-thirds of all jobs in the country need some postsecondary education, and it's estimated that by 2015, 44 percent of Hawai'i's jobs will require some form of education and/or training beyond high school, with many jobs requiring a baccalaureate degree or higher. Of course, all will require periodic retraining and continuing education. Returning to a learning environment over the span of one's working life now is the norm, and it will become more so as we plan for the economic necessities that come with improved life spans and productivity.

"Our competitor economies know this and several have been steadily increasing their resources so that their citizens have access to advanced education, putting them ahead especially in some areas of science and technology.

"The level of degree attainment in leading developed nations — including Canada, Japan, and Korea — is rapidly increasing. Their younger populations are significantly better educated than their older populations. Unfortunately this is no longer true in the United States, and it's not true here in Hawai'i. I say to you, we must change this.

"Hawai'i has a unique integrated system of public higher education which is unlike any other state. This is an extraordinary asset and we have to tailor it for the 21st century. Let me underscore that the advantages of our unique system are great with a few student examples. So let me tell you about a few students.

"Malia Davidson dropped out of college and then returned after having children. She finished Maui Community College and then obtained a University of Hawaii Mānoa bachelor's degree through the University of Hawai'i Center at Maui. Her struggles were immense. For example, her son passed away a few months before her graduation. Nevertheless, she commuted from Maui to O'ahu, earning a master's degree from UH Mānoa. Now Malia says, "...it is the aloha at UH that perpetuates the sense of belonging, the ability to move ahead and look back regardless of the challenge, to understand one's *kuleana* in the grand picture of life." Today, Malia Davidson is the statewide director of the Native Hawaiian Scholarship Program based out of Maui Community College. This program disburses approximately \$1 million a year to serve Native Hawaiians with scholarship support. Malia's here today. Will you please stand, Malia?

"Sarah Naeole, a student on Moloka'i, never had to leave her island to pursue higher education. As a mother of three with a full time job, she was in no position to relocate her family and to move away from the very community in which she wished to use her education. Through the Moloka'i Education Center, she earned her associate degree. Inspired by the positive experience she had with this distance-education course there, she moved on to a bachelor's degree distance-education program administered through the University of Hawaii West O'ahu. Sarah is now director of administration and compliance at the Bay Clinic in Hilo.

"I'll tell you of an even nicer story. Last summer, Kaua'i Community College held its first graduation of students from Ni'ihau in its Facilities Engineering Program. Seven men and one woman graduated. The men in this graduating class were the first men from Ni'ihau ever to receive any college credential.

"Even more, three times a week, students from the University of Hawaii John A. Burns School of Medicine's Homeless Outreach and Medical Education Project, HOME, load up their van and head out to provide free medical care at O'ahu shelters. On holidays, special events are planned to ensure that homeless children enjoy festivities, and they are not excluded from conversations at school about how they celebrated Halloween and Christmas. Several of these students are here today. I'd like to ask them to stand and to tell you further that they will be outside with their van if

you're interested in learning more about this program. Will the medical students please stand. Thank you. Thank you for what you're doing. It means a great deal to the community.

"On a slightly lighter note, we also transform what you eat — and I'd like to recognize our national champion, student culinary team from Kapi'olani Community College. Several members are here today. Good luck with the next competition, which is on the way.

"So these stories vividly illustrate that higher education does have the power to change the trajectory of a life. They also show that our students and our campuses give directly back to the community in service.

"I've been privileged myself to have made my career as an educator and a researcher, and I have served five institutions. I care passionately about higher education, as it transformed my life. I would not be here today if it had not been for supportive friends, talented faculty, and most importantly, for the kindness of anonymous benefactors that helped me finance my undergraduate career. If it had not been for a state Regents scholarship program and a forward-looking National Defense Education Act loan forgiveness program, it's not likely that I could have gone on to graduate school. If it hadn't been for federal, state and foundation competitive research funding, I would never have had the credentials to be eligible for the great honor of serving this University and this State.

"So the concept that public education benefits the entire state and the nation and not just the individual, is more important today than it has ever been. And I urge you that we all ensure that this generation has every opportunity to reach their aspirations. Because without them, we're all going to see a diminished quality of life here in Hawai'i.

"So I'd like to talk for awhile about where we are today. As you know, both the University and the State have had to make very difficult choices in this troubled economy. We needed to adjust very rapidly, and as we stabilize, we must also move forward wisely, and confidently.

"Those of us within the University of Hawai'i know that we must continue to earn the public's confidence as the sole provider of public higher education in Hawai'i, and one way to do this is by demonstrating a responsible management of resources entrusted to us by the State. And we have worked hard to leverage our unique capabilities as a system and become more efficient administratively. For example:

- The University of Hawaii implemented the first electronic procurement and purchasing card systems in the State, as well as online systems for most human resources processing, student employment and streamlined inventory management.
- We implemented a new integrated system-wide student information system that replaced 10 separate older systems, and we are now implementing new open-source systems for financial management and research administration.
- The use of online learning technologies is allowing us to accommodate our burgeoning student enrollment without a proportionate increase in classrooms.

"Furthermore, all of our campuses have initiated sustainability and energy reduction programs. These initiatives have saved millions of dollars, they produced greater efficiencies, transparency and accountability.

"So I say to you, we all know what is at stake, so I would like to focus more on what we are doing for ourselves and what we must further do together to ensure that the University of Hawai'i will be here to serve the state and its citizens for the next 100 years and beyond.

"An important way that we have been proactive rather than reactive is in our strategic planning. The University of Hawai'i, I was very pleased to have discovered this, has been engaged for a number of years in a serious systematic assessment of our institution's strengths and weaknesses — academic, organizational and operational, and the needs of the State. We have developed a strong strategic plan that clarifies and articulates our

promises and priorities, it ensures they're in the State's best interest as we collectively plan for our preferred future. We are finding new ways to manage costs and to secure additional and diverse revenue streams to get us there. And, importantly, we measure our progress against these goals.

"We are focusing our attention on three broad strategic objectives that will serve the state well into the future and they are:

1. Increasing the number of educated citizens in the State of Hawai'i;
2. Contributing to the workforce and the economy; and
3. Advancing the University of Hawai'i's reputation for excellence and its ability to build the State's capacity.

"First, increasing the number of educated citizens. Now, President Obama, recently has asked Congress to create the American Graduation Initiative to help bring the United States back to being the world leader in the number of citizens with higher education.

"So today, I am announcing that we will create the Hawai'i Graduation Initiative to increase the number of college graduates by 2015 by 25 percent. Thank you. The Hawai'i Graduation Initiative will focus on access, affordability and student success. Simply put, we want more local students to attend and graduate from the University of Hawaii.

"Be assured, the University of Hawai'i is committed to increasing Hawai'i's "educational capital" by increasing the participation and success of students, particularly Native Hawaiian, those from lower-income, and those from underserved regions of the State.

"We are committed to supporting the access and success of Native Hawaiians. We are making headway and we are fortunate that we have good partners along this path. For example, the community colleges, through the Achieving the Dream initiative and with the support from OHA and Kamehameha Schools, have increased Native Hawaiian student enrollment by over 50 percent and are working to ensure that every one of these students can succeed.

"Increasing our educational capital also means helping students overcome affordability barriers to higher education. We have made extraordinary strides this year in helping our students receive the aid they are eligible for and we have quadrupled our financial aid reserves for Hawai'i residents. This year, we have over 13,000 students awarded the Federal Pell Grant, far exceeding our 2009 goal by almost 42%. With the dedicated work of our staff, we have already awarded nearly \$50 million in financial assistance to our students this year. Thank you.

"Increasing our educational capital means strengthening the pipeline every step of the way. It means that it's necessary to increase the college going rates from public and private schools, which we are doing. A good example, and one of Hawai'i P-20's many initiatives is Step Up, a campaign to raise awareness about the importance of a rigorous high school curriculum for students who hope to go to college and succeeding careers.

"I had a chance to meet one of these students, Joshua Labajo, a freshman at Waialua High School where he is already taking geometry and honors classes in preparation for college. He hopes to major in electrical engineering and, along with his classmates, is now encouraging other high school students to sign the Step Up pledge.

"We will continue our work with the Hawai'i Department of Education to better prepare students to enter and succeed in college.

"We'll work through the Hawai'i P-20 to create an electronic portal so that intermediate and high school students, and I stress, intermediate and high school students, and their parents can see what classes they need to take to enroll at our colleges, can apply automatically, and learn about financial assistance.

"We will also create dual enrollment tracks in technical fields so that students can move very smoothly from the Department of Education programs into the technical programs within our community colleges.

"We will be launching a spectacular private-partner pilot initiative thanks to the generosity of a wonderfully insightful friend of our State, Mr. Jim Lally. Yes, he's a wonderful guy, but he couldn't be here this morning. Our new scholarship program has been initiated at Kaua'i Community College. It targets students who otherwise could not go to college and it helps them go to our Kaua'i campus. Then, it guarantees that they will continue to receive support through their bachelor's degree if they succeed in college and continue to do the work. So we're very excited about that.

"Now the University of Hawai'i's second strategic objective is to continue to contribute positively to the workforce and the economy.

"As has been true in times past, these difficult economic conditions tend to drive up college enrollments. This year, we enrolled the largest number of students in the history of the University of Hawai'i – 58,000 students.

"Many of these students are entering the fields in which the State still has a critical workforce shortage, including teaching, nursing, computing, engineering, social work and hospitality. We are addressing these shortages and attracting additional private support to help us.

"In this 21st century, there will be new types of jobs and people will need education to transition from one career to the next.

"And no longer is it the case that the average age of the college-going population is 18 to 20 years of age. At West O'ahu, the average student age is now 30. We must be prepared, especially in a state like Hawaii, to address the educational and training needs of adults who are entering college for the first time, who are returning to complete their education after some years, and who are seeking a fresh start through retraining.

"UH stands well ahead, well ahead of many other universities in terms of our coordination and efficiency as one system. We have excellent system-wide academic collaboration, and expanding online programs that I described a little earlier that serve both new and returning students.

"But I'm here to tell you that with all we do for our students and our programs we do much, much more. UH, the University of Hawaii, adds money, jobs and talented people to the State's economy. We accomplish this by:

- Increasing external research and training funding — which directly creates jobs and brings money into our State — over \$414 million this past year alone;
- We are also addressing research needs specific to our State and the region;
- We enable a quick response to business and industry training needs;
- We are promoting "spin-offs," licenses, and invention disclosures;
- And finally, for every dollar the State spends, we leverage at least \$5.34 of additional spending in the State.

"But there is always room for improvement.

"So while we have successful examples of technology transfer, which I described earlier, I believe we can do more. Today we need an approach that incorporates innovation, as well as technology transfer. We must help new businesses to emerge and older ones to innovate. We must manage, and not control, technology transfer for the good of the State. We need a new approach. Our federal research and training enterprise has quadrupled in the past decade, and we have to stay ahead of this curve.

"Therefore, within the next 60 days, I will appoint a Presidential Advisory Group of Experts to study our successes, our challenges, our opportunities, with an eye toward understanding how the best universities

at this have achieved their impact. I will ask the group to advise us on the steps the University should take to create a 21st century capability for innovation and technology transfer, to support what could easily be a multi-billion dollar research industry in Hawai'i, spin-offs and related services.

"The third broad objective, one that will have far-reaching impact and is very, very important, is to advance the University of Hawai'i's national reputation for excellence and its ability to build the State's capacity further.

"And here I say the State of Hawai'i needs and deserves a 21st century public university, one with superior facilities to attract and retain the best faculty for high quality teaching and research, and one with educational and administrative processes that deliver services efficiently and effectively.

"Your help with our new Cancer Center helps us gain a new facility and advances cancer care in the State, and your support to advance the next great telescope, the Thirty Meter Telescope, will bring at least a billion dollars to our State.

"But we have a very big problem. Decades of inadequate investment in our facilities are hindering the University of Hawai'i in this regard. This limits what our faculty and students can achieve, it reduces federal investment in our institution, and as the Gartley Hall situation demonstrates, it can even threaten the health and safety of our students, faculty and staff. This must change.

"Infrastructure improvements also have a bearing on the University's ability to recover costs to maintain support for extramurally supported research. As I reported to the House Finance Committee recently, federal indirect cost rates, that's earned overhead, are negotiated, and the University of Hawai'i's rate of 36.7 percent, on the Manoa campus in particular, is very low. For comparison, the University of Washington's rate is 58 percent. Many factors influence indirect cost rates, but the level of investment in facilities is a major component. Thus, the poor condition of our facilities, particularly at Mānoa, has a far-reaching effect on our ability to help ourselves to leverage external funds, and to add to the economy, to create jobs and to produce the research and student opportunities we expect of a 21st century university.

"So let me also point out that monies spent on repairs, maintenance and construction are a triple bottom line for the State. They lead directly to jobs for Hawai'i's unemployed construction workers. They provide the support to allow our staff and faculty to compete for additional funding, and they allow us to help ourselves for the future by better leveraging the external funds that we are awarded for research and training.

"In my opinion, no other State investment will have so many immediate benefits while paving the way for a long term growth of research, education and training.

"In short, we must renovate to innovate. We must energize and optimize our workforce, and this is one investment that we can monitor, we can enhance and it will be a lasting legacy.

"So today, we announce Project Renovate to Innovate.

"And our goals are, rather simply but broad and large, to rebuild infrastructure, bring indirect cost rates in line with the peer institutions across the country, increase the creation of small and other businesses based on the University of Hawai'i's technology developments.

"The University has achieved a truly extraordinary growth in extramural funding, as I mentioned, over \$400 million in contracts and grants for research and training in the last fiscal year and over \$270 million in the first half of this year alone. If the current rate of growth can be sustained for the remainder of the decade, it would yield the State a billion dollars a year in 2020. A billion.

"Make no mistake that we will need additional funding in the future to achieve growth and support the faculty and staff who make all this

possible will need. But we know the challenges that all of you are facing in this Session, and that's why our operating budget request is modest and we have focused on general obligation bond support for shovel-ready capital renovations and improvements. Our immediate goals are to improve our campus environment for students, enhance our volume of federal and private support, and spur job creation to help stimulate the local economy.

"We believe that providing general obligation bond support right now is so important that we wish to look to a new emergency partnership with the State of Hawai'i. We do not have the revenue streams to support more revenue bonds in this recession, but if it will aid in securing general bond funds, the University will pledge to pay a share of the interest on a general obligation bond for a period of 5 to 7 years in order to get these jobs on the streets as fast as possible and begin the process of renovating and building to ensure that we can innovate and optimize.

"In addition, we urge you to give us as much flexibility as you can because we need to operate efficiently and effectively as a 21st century knowledge-based institution, which will allow us to focus the resources we do have on our education, research and service mission. Not on unnecessary bureaucracy. We will accept this greater flexibility with a commitment to responsibility and full accountability.

"So in conclusion, I hope our message has been clear. The University of Hawaii is an investment that yields superior returns in both financial and human capital. We are a state that in the past has had the foresight to build this unique system of 10 campuses and additional centers working throughout our islands and communities.

"It took a century of hard work to enable the University of Hawaii System to serve so many citizens of our State. We have educated the diverse groups that have come to call Hawai'i home. We have embraced, and are strengthening, our unique responsibility to the indigenous people of Hawai'i, the Native Hawaiians. We need to be sure that we can pass this centennial legacy on. So we need a new partnership with the State, a vibrant partnership, a partnership that will lead to a preferred future, a future that so many in Hawai'i are looking for. With your help, we can help ourselves meet this challenge and be the innovative, forward-looking University of Hawai'i that the State so, so richly deserves.

"I look forward to working with you. Thank you."

Speaker Say then rose and stated:

"President Greenwood, on behalf of the State House and Senate, thank you very much for your remarks today. We realize that in times of fiscal constraint, the challenges to higher education and Hawaii's University System are formidable. However, we must also remember that if we sacrifice Hawaii's future for the requirements of today, we sacrifice greatness for the sake of mediocrity.

"Visionaries see opportunity in the face of adversity. So too must you see this time as an opportunity to maximize efficiency, while preserving quality education and research. Look beyond how to do the same with less, and instead look toward how to do more with less, and do it better. We know that you are up to the challenge. Aloha.

"If there is no other business before us, I declare this Joint Session, adjourned."

At 12:53 o'clock p.m., Speaker Say declared the Joint Session of the Senate and the House of Representatives of the Twenty-Fifth Legislature adjourned.

ADJOURNMENT

At 12:00 o'clock midnight, the House of Representatives adjourned until 12:00 o'clock noon, tomorrow, Thursday, February 4, 2010.