

**Conf. Com. Rep. 1-12 on H.B. No. 608**

The purpose of this bill is to appropriate moneys, subject to dollar-for-dollar private matching funds, to support ongoing services provided by a qualified provider with Centers for Medicare and Medicaid Services certification to perform kidney and liver transplants in Hawaii and to support a federally-recognized chronic kidney disease management program.

Your Committee on Conference finds that an emergency appropriation is necessary to preserve and save the lives of individuals combating organ failure by providing them with essential access to organ transplantation in the State and giving these individuals quality care and treatment throughout operation and recovery.

Pursuant to the requirements set forth in Article VII, Section 9, of the Hawaii State Constitution, the Governor, in Governor's Message No. 181 to the Legislature, requests immediate consideration and passage of this bill by the Legislature, citing the necessity of prompt attention to this matter to appropriate funds to support kidney and liver transplants in Hawaii.

It is your Committee on Conference's intent that of the \$1,800,000 appropriated for fiscal year 2011-2012:

- (1) \$1,500,000 shall be for supporting ongoing services by a qualified provider with United Network for Organ Sharing certification to perform kidney and liver transplants in Hawaii; and
- (2) \$300,000 shall be for supporting a federally-recognized chronic kidney disease management program.

Accordingly, your Committee on Conference has amended this bill by:

- (1) Making an emergency appropriation, subject to dollar-for-dollar private matching funds, to support ongoing services by a qualified provider with United Network for Organ Sharing certification to perform kidney and liver transplants in Hawaii, and to support a federally-recognized chronic kidney disease management program;
- (2) Specifying an appropriation amount of \$1,800,000 for fiscal year 2011-2012;
- (3) Specifying that the funds appropriated in the bill shall be exempt from Chapter 42F, Hawaii Revised Statutes;
- (4) Changing the effective date of the bill to upon its approval; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 608, H.D. 3, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 608, H.D. 3, S.D. 1, C.D. 1.

Representatives Yamane, Morikawa, Jordan, Mizuno, Wooley and Ching.  
Managers on the part of the House.  
(Representative Wooley was excused.)

Senators Green, Chun Oakland and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 2-12 on S.B. No. 239**

The purpose of this measure is to:

- (1) Extend the authorization that allows the John A. Burns School of Medicine (JABSOM) to receive a portion of Hawaii tobacco settlement special fund monies for annual operating expenses until 2015 while reducing that portion of fund monies each fiscal year until the fiscal year ending on June 30, 2015;
- (2) Establish a University of Hawaii school of public health special fund, using a portion of Hawaii tobacco settlement special fund monies, to finance the establishment of a school of public health in JABSOM;
- (3) Establish the Hawaii medical doctors loan program and a special fund to support the program;
- (4) Establish the Hilo medical center rural interdisciplinary residency program special fund to implement and sustain the program; and
- (5) Direct a portion of JABSOM's share of the Hawaii tobacco settlement fund monies into the University of Hawaii school of public health special fund, Hilo medical center rural interdisciplinary residency program special fund, and Hawaii medical doctor loan program special fund from fiscal year 2012-2013.

Your Committee on Conference finds that JABSOM's authorization to use a portion of Hawaii tobacco settlement special fund monies to support the school's operations and train and graduate new physicians expired on June 30, 2011. Your Committee on Conference recognizes the tough financial situation the University of Hawaii is facing and through this measure will reinstate the use of Hawaii tobacco settlement special fund monies by JABSOM until June 30, 2015. It is the intent of your Committee on Conference that, in passing this measure and reinstating the use of Hawaii tobacco settlement special fund monies, JABSOM not encounter any delay in accessing and using these funds, operating as though the authorization allowing JABSOM to receive a portion of Hawaii tobacco settlement special fund monies had not expired.

Your Committee on Conference further finds that the University of Hawaii must develop and implement revenue generating practices that will allow JABSOM to become self sufficient and less reliant on Hawaii tobacco settlement special fund monies for its annual operating costs. As such, your Committee on conference believes that the University of Hawaii should prepare a financial plan detailing how it will fund JABSOM's operating expenses beginning July 1, 2015, when it is no longer authorized to use Hawaii tobacco settlement special fund monies. The financial plan should include an itemized list of all sources of funding for JABSOM, including monies from the general fund, trust funds, or the federal government.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and inserting the contents of S.B. No. 239, S.D. 2 (2011), which extends the authorization allowing JABSOM to receive an unspecified portion of Hawaii tobacco settlement special fund monies and requires the University of Hawaii to account for revenues and expenditures relating to monies appropriated into the university revenue-undertakings fund and monies used for JABSOM's operating costs, and further amending this measure by:

- (1) Specifying that the portion of Hawaii tobacco settlement special fund monies to which the University of Hawaii is entitled shall be reduced to:
  - (A) Twenty-seven percent starting with fiscal year 2013-2014; and
  - (B) Twenty-six percent starting with fiscal year 2014-2015;
- (2) Specifying that the reductions in the University of Hawaii's portion of Hawaii tobacco settlement special fund monies shall be deposited to the credit of the general fund in addition to the:
  - (A) Twenty-five and one-half percent of monies deposited to the credit of the general fund for fiscal year 2013-2014; and
  - (B) Twenty-six and one-half percent of monies deposited to the credit of the general fund for fiscal year 2014-2015;
- (3) Specifying that any amounts in excess of the amounts required by JABSOM for its operating expenses shall be transferred in the succeeding fiscal year to the general fund;
- (4) Requiring the University of Hawaii to submit a report to the Legislature no later than twenty days prior to the convening of the Regular Sessions of 2013 through 2015 detailing its financial plan to fund JABSOM's operating expenses beginning July 1, 2015, when it is no longer authorized to use a portion of the Hawaii tobacco settlement special fund monies; and
- (5) Making this measure effective upon approval and repealing this measure on June 30, 2015.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 239, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 239, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Nishimoto, Oshiro, M. Lee, Nakashima and Ward.  
Managers on the part of the House.

Senators Tokuda, Green and Ige.  
Managers on the part of the Senate.

### **Conf. Com. Rep. 3-12 on S.B. No. 809**

The purpose of this measure is to increase the University of Hawaii's authorization to issue revenue bonds for the purpose of financing the construction and maintenance of qualifying projects.

Your Committee on Conference finds that increasing the University of Hawaii's authorization to issue revenue bonds by \$100,000,000 will allow the University of Hawaii to continue to address its growing capital facilities needs and complete as many of its priority capital facility construction, renovation, and repair projects as possible.

Your Committee on Conference further finds that this measure will provide the University of Hawaii with the financial flexibility it needs to improve and maintain its facilities for the successful accomplishment of its core education and research mission.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Specifying that the measure is recommended by the Governor for immediate passage pursuant to Article VII, Section 9, of the Constitution of the State of Hawaii;
- (2) Inserting \$300,000,000 as the maximum total principal amount of the revenue bonds authorized by this measure;
- (3) Inserting an appropriation amount of \$100,000,000 out of the revenue bond proceeds;
- (4) Making this measure effective upon its approval; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 809, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 809, S.D. 1, H.D. 1, C.D. 1.

Representatives Nishimoto, Yamashita, Nakashima, Saiki, Tokioka and Johanson.  
Managers on the part of the House.  
(Representatives Saiki and Tokioka were excused.)

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 4-12 on H.B. No. 905**

The purpose of this measure is to increase efficiencies in the delivery of health and human services and to eliminate gaps in services by requiring the Director of Health and the Director of Human Services to collaborate with contracted health and human services providers to develop and update annually a health and human services delivery plan. This measure also furthers health and wellness initiatives in the State by requiring the Department of Health to create a workplace wellness pilot program.

Recognizing the time considerations involved in agency and provider collaboration in developing a sound health and human services delivery plan, your Committee on Conference has amended this measure by deleting its substance, and inserting therefor, provisions that amend section 103F-203, Hawaii Revised Statutes (relating to the collaboration of providers in an agency's effort to plan or purchase health and human services), to:

- (1) Require, prior to a state agency's release of a Request for Proposal for the competitive purchase of services, at the request of the agency, provider participation in the agency's development of a delivery plan for health and human services, including:
  - (a) Evaluating efficiencies in delivering existing services and recommending strategies for eliminating gaps in service delivery; and
  - (b) Recommending cost-efficient and effective service alternatives; and
- (2) Authorize a state agency to include a provision in a contract awarded under the State's Purchase of Health and Human Services law, a requirement that the provider participate in planning in the agency's development of a delivery plan for health and human services, provided that:
  - (a) Notice of the requirement is provided in the Request for Proposals; and
  - (b) Provider participation in the agency's development of a delivery plan does not disqualify the provider from submitting responses to Requests for Proposals.

This measure was also amended by changing its effective date to July 1, 2012. One technical, nonsubstantive amendment was also made for accuracy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 905, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 905, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamane, Mizuno, Morikawa, Jordan and Ching.  
Managers on the part of the House.  
(Representative Ching was excused.)

Senators Green, Chun Oakland and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 5-12 on S.B. No. 824**

The purpose of this measure is to deem void and unenforceable any portion of a motor carrier transportation services contract or agreement that requires the carrier to indemnify, defend, or hold harmless the other party from any claim or liability for that party's negligence or intentional acts or omissions.

Your Committee on Conference finds that motor carriers, including trucking and tour bus companies, are often required to sign transportation service contracts or agreements requiring them to indemnify the other party to the motor carrier transportation services contract for acts of negligence or intentional acts or omissions, regardless of who is actually at fault.

Your Committee on Conference finds that a motor carrier should be held responsible for liability to the extent that the carrier is at fault. However, motor carriers often agree to indemnify the other party to secure work, so these indemnification provisions can become unreasonable conditions of a transportation services agreement that carriers are often unable to refuse.

Your Committee on Conference has amended this measure by inserting language to clarify that the provisions that shall be deemed void and unenforceable include provisions that purport to indemnify, defend, or hold harmless, whether in whole or in part, the indemnitee and that the provisions shall be deemed void and unenforceable to the extent that they seek to indemnify, defend, or hold harmless the indemnitee.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 824, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 824, S.D. 2, H.D. 2, C.D. 1.

Representatives Souki, Herkes, Keith-Agaran, Ichiyama, Yamane and Fontaine.  
Managers on the part of the House.

Senators English, Hee and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 6-12 on S.B. No. 2419**

The purpose of this measure is to protect personal information while providing reasonable access in certain circumstances by allowing the scanning of personal information contained in a Hawaii identification card or driver's license for limited purposes only.

Your Committee on Conference finds that information contained on an individual's identification card or driver's license can be a source of identity theft. Because identity theft can have lasting negative repercussions on the life of the person whose identity is stolen, it is important to minimize the widespread use of this personal information. Your Committee on Conference further finds that a balance must be obtained between permitting responsible entities to lawfully use an individual's personal information while also protecting the privacy interests of individuals.

This measure addresses this issue by prohibiting the random scanning of a Hawaii identification card or driver's license by Hawaii businesses, prohibiting retention of any personal information obtained through scanning except in specific circumstances, and prohibiting businesses from selling or otherwise disseminating information obtained by scanning an individual's Hawaii identification card or driver's license to a third party.

Your Committee on Conference has amended this measure by:

- (1) Changing references to an "identity card" to "identification card", in order to clarify the forms of identification subject to this measure and conform to the definition of "personal information" in section 487N-1, Hawaii Revised Statutes; and
- (2) Inserting an effective date of upon approval.

Your Committee on Conference notes that this amended measure is the result of a compromise by various interested stakeholders affected by this measure.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2419, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2419, S.D. 2, H.D. 3, C.D. 1.

Representatives Souki, McKelvey, Keith-Agaran, Yamane and Fontaine.  
Managers on the part of the House.

Senators Baker, Fukunaga, Hee, Taniguchi and Slom.  
Managers on the part of the Senate.  
(Senator Hee was excused.)

**Conf. Com. Rep. 7-12 on S.B. No. 2748**

The purpose of this measure is to:

- (1) Require holders of unclaimed property not held in a safekeeping depository to pay or deliver all property to the Director of Finance upon filing their report to the Director of Finance;
- (2) Specify a maximum fee that professional unclaimed property locators may charge;
- (3) Allow an owner the right to assert that an agreement is invalid on grounds other than excessive or unjust compensation and allow the court to award reasonable attorney's fees to an owner who prevails in such an action; and
- (4) Correct a reference to the unclaimed property trust fund.

Your Committee on Conference finds that this measure makes Hawaii's law consistent with other states' laws by requiring the reporting and remittance of all unclaimed property at the same time. This measure also establishes a maximum ten percent fee for professional unclaimed property locators, allows the court to award reasonable attorney's fees to an owner who prevails in an action to contest fees charged by a professional locator, and clarifies a reference to the unclaimed property trust fund.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that an agreement that provides for compensation that exceeds ten percent of the total value of the property is unenforceable except by the owner;
- (2) Permitting the court to award reasonable attorney's fees to an owner who prevails in an action to reduce compensation to an amount not to exceed ten percent of the total value of the property; and
- (3) Inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2748, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2748, S.D. 1, H.D. 1, C.D. 1.

Representatives Rhoads, Yamane, Har and Thielen.  
Managers on the part of the House.  
(Representative Har was excused.)

Senators Baker, Hee, Espero, Taniguchi and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 8-12 on S.B. No. 2640**

The purpose of this bill is to allow the use of individual wastewater systems as an on-site means of wastewater disposal in lieu of county-operated wastewater treatment works, under certain circumstances.

Your Committee on Conference finds that with growing pressures on Hawaii's limited freshwater aquifers and aging and expensive wastewater collection and treatment facilities on each island, this measure facilitates Hawaii's sustainability efforts. Gray water recycling systems conserve water and reduce the burden on the environment and wastewater treatment facilities. Gray water is simply wastewater generated from domestic processes such as washing dishes, laundry, and bathing. The intent of your Committee on Conference is to lessen wastewater loading to county wastewater treatment plants. Your Committee on Conference notes that this measure requires the counties to adopt ordinances or administrative rules to effectuate this measure.

Your Committee on Conference has amended this measure by:

- (1) Changing the deadline for county rulemaking to December 31, 2014;
- (2) Excluding cesspools in special management areas, rather than in coastal areas, from the individual wastewater treatment systems for which counties may permit use; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2640, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2640, S.D. 1, H.D. 1, C.D. 1.

Representatives Keith-Agaran, Coffman, Chang, Kawakami and Thielen.  
Managers on the part of the House.  
(Representative Chang was excused.)

Senators Espero, Gabbard, Kouchi and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 9-12 on S.B. No. 2767**

The purpose of this measure is to update the Insurance Code in conformity with the National Association of Insurance Commissioners' model acts relating to guaranty associations.

Your Committee on Conference finds that this measure will improve the operations of insurance guaranty associations by providing for greater uniformity among states and facilitating greater coordination among Hawaii's various guaranty associations. Among other things, this measure clarifies increased limits on covered claims and allows the Hawaii Life and Disability Insurance Guaranty Association the option of assuming an insolvent insurer's reinsurance contracts.

Your Committee on Conference further finds that this measure will provide additional benefits to the State's insurance consumers and will allow the State's insurance guaranty associations to fulfill their statutory purpose of protecting Hawaii policyholders and consumers.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the rights of subrogation and other equitable or legal remedies available to an association by removing language relating to structured settlement annuities;
- (2) Inserting an effective date of July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2767, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2767, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Choy, Tsuji and Marumoto.  
Managers on the part of the House.

Senators Baker, Espero, Galuteria, Taniguchi and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 10-12 on S.B. No. 2632**

The purpose of this measure is to reduce the Land Court recording and registration backlog by:

- (1) Requiring all fee time share interests to be recorded in the Bureau of Conveyances system instead of the Land Court system; and
- (2) Streamlining the procedure for deregistering all remaining fee time share interests.

Your Committee on Conference finds that Act 120, Session Laws of Hawaii 2009, was intended to alleviate some of the backlog in Land Court recordings and registration by transferring fee simple time share interests from the Land Court system to the Bureau of Conveyances (regular) system. However, updating and recording the certificates of title for all fee time share interests, as required by Act 120, has exceeded the capacity of the Land Court. This measure is intended to ease the continuing backlog by requiring all fee time share interests to be recorded in the Bureau of Conveyances system instead of the Land Court system, and streamlining the procedure for deregistration of all remaining fee time share interests.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Assistant Registrar must note on the certificate of title for each fee time share interest all documents and instruments that were or are registered as of a date and time prior to deregistration and not yet noted on the certificate of title of the fee time share interest as of the date and time of deregistration;
- (2) Clarifying that the process for a new chain of record title for deregistered property applies to time share and non-time share property;
- (3) Inserting an effective date of July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference notes that this measure represents a collaborative effort among the Judiciary, the Office of the Assistant Registrar, the Bureau of Conveyances, and interested stakeholders from the time share and title industries, and is intended as an efficient and workable solution for the benefit of government agencies and the public.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2632, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2632, S.D. 1, H.D. 1, C.D. 1.

Representatives Brower, Chang, Yamane, Rhoads, Tokioka and Marumoto.  
Managers on the part of the House.  
(Representative Yamane was excused.)

Senators Baker, Hee and Espero.  
Managers on the part of the Senate.

**Conf. Com. Rep. 11-12 on S.B. No. 2745**

The purpose of this measure is to add priority guidelines to the Hawaii State Planning Act, chapter 226, Hawaii Revised Statutes, to address the expected impacts of climate change.

Your Committee on Conference finds that the expected climate change effects for Hawaii include warmer temperatures and sea-level rise with resultant flooding, beach erosion, and damage to coastal property. Hawaii's existing climate change policy focuses primarily on mitigation or the reduction of greenhouse gases; however, it does not sufficiently address climate change impacts to Hawaii's natural and built resources. This measure will fortify planning for the effects of climate change. It provides a foundation for climate change considerations in all state and county planning and a statewide framework to guide state and county agencies and other stakeholders.

Your Committee on Conference has amended this measure by changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2745, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2745, S.D. 1, H.D. 2, C.D. 1.

Representatives Coffman, Chang, Kawakami, Ito and Thielen.  
Managers on the part of the House.  
(Representative Ito was excused.)

Senators Gabbard, Dela Cruz, Ihara, Nishihara and Solomon.  
Managers on the part of the Senate.  
(Senators Ihara and Nishihara were excused.)

**Conf. Com. Rep. 12-12 on S.B. No. 2769**

The purpose of this measure is to:

- (1) Require all homeowners and motor vehicle insurers to provide, upon the Insurance Commissioner's request, insurance premium information to the Insurance Commissioner within thirty days of the request;
- (2) Require the Insurance Commissioner to publish a list of all homeowners and motor vehicle insurers with representative annual premiums for their insurance;
- (3) Authorize the Insurance Commissioner to adjust the rates for any class of insurance for any insurer if the Insurance Commissioner finds that the rates are excessive, inadequate, or unfairly discriminatory; and
- (4) Include advisory organizations in the rate filings and regulation process under article 14, chapter 431, Hawaii Revised Statutes, relating to rate regulation.

Your Committee on Conference finds that publication of premium information enables consumers to compare insurance rates. Your Committee further finds that making homeowners and motor vehicle insurance information more accessible will help Hawaii consumers make more informed decisions when purchasing insurance. Additionally, authorizing the electronic publication of this information provides the Insurance Commissioner with an alternative to address cost concerns associated with publication in a newspaper of general circulation.

This measure also protects Hawaii consumers by enhancing existing law that allows the Insurance Commissioner to require insurers to submit new rate filings when the current rates may be excessive, inadequate, or unfairly discriminatory.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the Insurance Commissioner's authority pursuant to section 431:14-103.3, Hawaii Revised Statutes, to mandate insurers to submit new filings for any type of insurance listed under section 431:14-102, Hawaii Revised Statutes;
- (2) Repealing section 431:10C-209.5, Hawaii Revised Statutes, relating to the Insurance Commissioner's authority to intervene to adjust motor vehicle insurance rates, in order to avoid conflict and overlap with the Insurance Commissioner's authority to adjust rates for any type of insurance listed under section 431:14-102, Hawaii Revised Statutes, which includes motor vehicle insurance;
- (3) Inserting an effective date of July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2769, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2769, S.D. 2, H.D. 3, C.D. 1.

Representatives Cabanilla, Herkes, Kawakami and Pine.  
Managers on the part of the House.  
(Representative Pine was excused.)

Senators Baker, Espero, Galuteria, Taniguchi and Slom.  
Managers on the part of the Senate.  
(Senators Galuteria and Slom were excused.)

**Conf. Com. Rep. 13-12 on S.B. No. 2871**

The purpose of this measure is to prohibit a person from using a mobile electronic device, including using the device for texting, while operating a commercial motor vehicle and to provide exemptions for certain persons.

Your Committee on Conference finds that this measure substantially conforms state law with federal regulations regarding the physical possession of commercial driving licenses and the prohibition of texting while operating a commercial motor vehicle.

Your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2871, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2871, S.D. 1, H.D. 2, C.D. 1.

Representatives Souki, Keith-Agaran, Ichiyama, Ito and Fontaine.  
Managers on the part of the House.

Senators English, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 14-12 on S.B. No. 2402**

The purpose of this measure is to require state agencies to use new and replacement outdoor light fixtures, in counties with a population of at least 100,000, that are fully shielded and have a correlated color temperature of four thousand Kelvin or less beginning July 1, 2014, with certain exemptions.

Your Committee on Conference finds that the Starlight Reserve Committee was established by Act 161, Session Laws of Hawaii 2009. The Starlight Reserve Committee held its first meeting in July 2010, and met on a regular basis throughout 2011. One of the tasks of the Starlight Reserve Committee was to develop proposed legislation for statewide intelligent lighting laws that reduce light pollution through proper shielding of outdoor lights in Hawaii. Your Committee on Conference further finds that this measure provides exemptions to reduce or eliminate additional costs related to the use of properly shielded lights, where appropriate.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2402, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2402, S.D. 1, H.D. 1, C.D. 1.

Representatives Souki, Coffman, McKelvey, Ichiyama, Kawakami and Fontaine.  
Managers on the part of the House.  
(Representative McKelvey was excused.)

Senators Wakai, Gabbard and Espero.  
Managers on the part of the Senate.  
(Senator Espero was excused.)

**Conf. Com. Rep. 15-12 on S.B. No. 2765**

The purpose of this measure is to update and streamline Hawaii's captive insurance company law to ensure that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners.

Your Committee on Conference finds that Hawaii is a leading captive insurance domicile, nationally and worldwide. Captive insurance companies domiciled in Hawaii provide significant business and economic advantages for the State. It is therefore important for Hawaii to maintain a regulatory structure for this industry that ensures Hawaii's continued position as a major captive insurance domicile.

This measure provides greater flexibility in the coverage of captive risks, enables the Insurance Commissioner to better regulate the captive insurance industry, ensures that risk retention captive insurance companies comply with the accreditation standards of the National Association of Insurance Commissioners, and promotes clarity and consistency throughout the captive insurance company law.

Your Committee on Conference notes that the Insurance Division of the Department of Commerce and Consumer Affairs and interested stakeholders affected by this measure have agreed that, rather than authorize the Insurance Commissioner to adopt rules to govern the coverage of controlled unaffiliated business for pure captive insurance companies, it is preferable to specify that no pure captive insurance company may insure or reinsure any risks other than those of its parent, affiliated entities, and controlled unaffiliated businesses, which shall be approved on a case by case basis.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Deleting the provision that would have permitted the Insurance Commissioner to adopt rules to govern the coverage of controlled unaffiliated business for pure captive insurance companies;
- (2) Specifying that the new section regarding applicability of other laws to captive insurance companies writing direct workers' compensation insurance policies be designated as section 431:19-115.7, Hawaii Revised Statutes;
- (3) Amending the definition of "controlled unaffiliated business" to clarify that all three conditions must apply to a controlled unaffiliated business;
- (4) Specifying that no pure captive insurance company may insure or reinsure any risks other than those of its parent, affiliated entities, and controlled unaffiliated businesses, which shall be approved on a case by case basis; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2765, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2765, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Choy and Marumoto.  
Managers on the part of the House.

Senators Baker, Espero, Galuteria, Taniguchi and Slom.  
Managers on the part of the Senate.



**Conf. Com. Rep. 16-12 on S.B. No. 1276**

The purpose of this measure is to:

- (1) Prohibit any state entity from establishing a basic health program, pursuant to the federal Patient Protection and Affordable Care Act, without the enactment of state legislation that explicitly authorizes or directs the establishment and operation of such a program; and
- (2) Authorize the Insurance Division of the Department of Commerce and Consumer Affairs to prepare a comprehensive study on the feasibility of establishing a basic health program in Hawaii.

Your Committee on Conference finds that a basic health program under the federal Patient Protection and Affordable Care Act is intended to provide health benefits to certain low-income individuals who do not qualify for Medicaid and who would otherwise be eligible to purchase health insurance through a state's health insurance exchange. Your Committee on Conference further finds that the federal government has not yet issued final rules to the states regarding the operation or financing of many aspects of the basic health program and as a result, many unknown factors involved in operating such a program remain.

Your Committee on Conference concludes that the creation of a basic health program in Hawaii is a significant policy decision that first deserves careful analysis of several important public health considerations. Legislative authorization for the establishment of a basic health program and a feasibility study are therefore necessary.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Clarifying that any state entity seeking to establish a basic health program pursuant to the federal Patient Protection and Affordable Care Act shall submit proposed legislation to the Speaker of the House of Representatives and the President of the Senate for introduction and consideration by the Legislature and requiring a report on the feasibility, plan for sustainability, and benefits of establishing a basic health plan to accompany the requested legislation;
- (2) Specifying that the Insurance Division of the Department of Commerce and Consumer Affairs is required to undertake a feasibility study of establishing a basic health program in Hawaii and clarifying the items to be analyzed in the feasibility study;
- (3) Specifying that the Insurance Division of the Department of Commerce and Consumer Affairs is required to submit a report of its findings and recommendations to the Speaker of the House of Representatives and the President of the Senate no later than twenty days prior to the convening of the Regular Session of 2013; and
- (4) Updating the purpose section of this measure to reflect its amended purpose.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1276, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1276, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Mizuno, M. Lee, Jordan and Marumoto.  
Managers on the part of the House.  
(Representatives Mizuno and Jordan were excused.)

Senators Baker, Espero, Chun Oakland, Taniguchi and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 17-12 on S.B. No. 3062**

The purpose of this measure is to enact the Life Settlements Model Act, which establishes consumer protections in life settlement transactions in which the owner of a life insurance policy transfers the death benefit to another person or entity in return for compensation that is more than the policy's cash surrender value but less than its expected death benefit.

Your Committee on Conference finds that thirty-nine states currently regulate life settlements. Until its sunset in 2010, Act 177, Session Laws of Hawaii 2008, determined Hawaii's insurance regulation of life settlement contracts. Act 177 implemented the Life Settlements Model Act as adopted by the National Conference on Insurance Legislators and was intended to protect individuals, particularly senior citizens and those suffering from chronic or terminal illness, from fraudulent activity relating to the selling and buying of life insurance policies.

Your Committee on Conference further finds that life insurance policyholders could be open to victimization by unscrupulous persons or entities unless life settlements are once again regulated in the State. This measure will offer Hawaii's consumers and the elderly effective and comprehensive protection against stranger-originated life insurance transactions and other fraudulent life settlement practices.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person is prohibited from entering into a premium finance agreement, rather than a premium finance loan, with any person or agency under certain conditions and specifying other prohibitions relating to premium finance agreements;
- (2) Inserting an effective date of July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on

Conference is in accord with the intent and purpose of S.B. No. 3062, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3062, S.D. 1, H.D. 2, C.D. 1.

Representatives Herkes, Choy, Tsuji and Marumoto.  
Managers on the part of the House.

Senators Baker, Taniguchi and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 18-12 on S.B. No. 3002**

The purpose of this measure is to establish that real estate brokers and salespersons cannot be held liable:

- (1) For misrepresentations based upon a good faith reliance on certain information; and
- (2) For failure to ascertain and disclose all material facts concerning a property if there was a good faith reliance on a prepared disclosure statement.

Your Committee on Conference finds that this measure provides that real estate brokers and salespersons are not liable, in several circumstances, for misrepresentations or for failure to ascertain and disclose all material facts. However, your Committee on Conference further finds that the amendments proposed by this measure are inconsistent with the national professional standards that govern real estate brokers and salespersons, which state that realtors must avoid misrepresentation without qualification. Your Committee on Conference therefore concludes that amendments to this measure are necessary to preserve the current standard of practice for Hawaii real estate licensees and protect a consumer's ability to seek redress.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Deleting language stating that real estate brokers and salespersons shall not be held liable for misrepresentations based upon a good faith reliance on specific information;
- (2) Deleting language stating that real estate brokers and salespersons shall not be held liable for failure to ascertain and disclose all material facts concerning a property if there was a good faith reliance on a prepared disclosure statement; and
- (3) Clarifying that the Real Estate Commission shall consider whether a real estate licensee relied in good faith on information provided by other persons or third parties.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3002, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3002, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamane, Keith-Agaran, Tsuji and Marumoto.  
Managers on the part of the House.

Senators Baker, Hee and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 19-12 on S.B. No. 2375**

The purpose of this measure is to, among other things:

- (1) Permit producer owned and operated agricultural-based commercial operations in agricultural districts;
- (2) Include as permissible agricultural-based commercial operations:
  - (A) The preparation and sale of certain food grown on the premises or in the State by a producer owned and operated retail food establishment; and
  - (B) The sale of logo items related to a producer's agricultural operation; and
- (3) Include agricultural-based commercial operations under the definition of "farming operation" in the Hawaii Right to Farm Act, codified in chapter 165, Hawaii Revised Statutes.

Your Committee on Conference finds that this measure will provide agricultural producers with an additional outlet to sell their products. This measure will allow agricultural producers to explore creative ways to market their products to the community, while connecting the general public with locally grown agricultural products.

Your Committee on Conference has amended this measure by:

- (1) Amending what constitutes a permissible agricultural-based operation in an agricultural district by:
  - (A) Removing the requirement that agricultural products sold or displayed must be fresh and grown on the premises;

- (B) Clarifying that value-added products sold or displayed must have been produced using agricultural products grown in Hawaii rather than requiring these products to have been produced using raw Hawaii agricultural materials; and
  - (C) Removing the requirement that retail activities that are offered for the sale and display of certain agricultural products be offered for sale directly to consumers;
- (2) Making this measure effective upon approval; and
  - (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2375, S.D. 3, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2375, S.D. 3, H.D. 2, C.D. 1.

Representatives Tsuji, McKelvey, Chang, Har and Riviere.  
Managers on the part of the House.  
(Representative Har was excused.)

Senators Nishihara, Dela Cruz, Wakai and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

#### **Conf. Com. Rep. 20-12 on S.B. No. 1500**

The purpose of this measure is to amend the Revised Uniform Anatomical Gift Act by requiring a recipient to accept or reject an anatomical gift if that gift is medically suitable for transplantation, therapy, research, or education and regardless of whether another person, including family members of the donor, has made an anatomical gift.

Your Committee on Conference finds that this measure is intended to improve the quality of medical education in Hawaii by ensuring that the proper individuals and entities fulfill their obligation to effectuate anatomical gifts.

Accordingly, your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1500, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1500, H.D. 1, C.D. 1.

Representatives Yamane, Keith-Agaran, Cabanilla, Morikawa and Ching.  
Managers on the part of the House.  
(Representative Ching was excused.)

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

#### **Conf. Com. Rep. 21-12 on S.B. No. 2508**

The purpose of this measure is to amend filing deadlines for preliminary and supplemental campaign spending reports to align with existing law or present practice.

Your Committee on Conference finds that the date of the primary election was advanced from the last Saturday in September to the second Saturday in August. This measure changes the existing statutory deadline for filing a candidate's first preliminary campaign spending report from July 31 of an election year to thirty calendar days prior to a primary election to avoid back-to-back filing deadlines of July 31 and August 1 for the first and second preliminary primary campaign spending reports, respectively, and to align accordingly with the August primary election date.

Your Committee on Conference further finds that this measure requires candidates to file a supplemental campaign spending report on January 31 of every year; not only after an election year, as stated under existing law. As present practice is to file a supplemental campaign spending report every year, your Committee on Conference believes that amending existing law is not necessary.

Accordingly, your Committee on Conference has amended this measure by changing the filing date for supplemental reports back to January 31 after an election year.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2508, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2508, S.D. 2, H.D. 1, C.D. 1.

Representatives Keith-Agaran, Ito, Tsuji and Thielen.  
Managers on the part of the House.  
(Representative Ito was excused.)

Senators Hee, Shimabukuro and Slom.

Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 22-12 on S.B. No. 2486**

The purpose of this measure is to include threats to cause harm to the property of another person under the offense of terroristic threatening.

Your Committee on Conference finds that the original intent of this measure was to include pets and livestock as property that, if threatened to be damaged or harmed, may constitute the offense of terroristic threatening.

Accordingly, your Committee on Conference has amended this measure by inserting in section 707-715, Hawaii Revised Statutes, specific references to pets and livestock as property of another.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2486, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2486, S.D. 1, H.D. 1, C.D. 1.

Representatives Keith-Agaran, Ito and Fontaine.  
Managers on the part of the House.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 23-12 on S.B. No. 2873**

The purpose of this measure is to:

- (1) Exempt ancillary secondary actions, limited to the installation, improvement, renovation, construction, or development of infrastructure within an existing public right-of-way or highway, from the environmental impact statements law if certain conditions are met;
- (2) Require applicants, rather than affected agencies, to prepare environmental assessments for certain proposed actions; and
- (3) Mandate that the Office of Environmental Quality Control determine whether the preparation of the environmental assessment is required by an applicant when there is a question as to which of two or more state or county agencies has the responsibility of determining whether an environmental assessment is required.

Your Committee on Conference finds that if environmental assessments and environmental impact statements are no longer required for certain actions, as proposed by this measure, the State will be able to realize administrative efficiencies. This measure contains provisions that overlap with Act 87, Session Laws of Hawaii 2009 (Act 87), as amended by Act 45, Session Laws of 2011 (Act 45), which enacted an exemption from the environmental impact statements law for projects that meet certain criteria. Due to the potential for conflicts between this measure and Act 87, as amended by Act 45, your Committee on Conference finds that Acts 87 and 45 should be repealed.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "secondary action";
- (2) Specifying that, in situations involving secondary actions that are exempt from chapter 343, Hawaii Revised Statutes, pursuant to this measure, where there is a question as to which agency is responsible for determining whether an environmental assessment is required, the Office of Environmental Quality Control is not required to determine whether preparation of an environmental assessment by an applicant is required;
- (3) Repealing Act 87, Session Laws of Hawaii 2009; and
- (4) Repealing Act 45, Session Laws of Hawaii 2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2873, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2873, S.D. 1, H.D. 3, C.D. 1.

Representatives Souki, Coffman, Keith-Agaran, Ito and Fontaine.  
Managers on the part of the House.

Senators Gabbard, Ihara and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 24-12 on S.B. No. 2221**

The purpose of this measure is to provide greater protection for children by addressing instances of possession of particularly violent or egregious child pornography. Specifically, this measure amends the offense of promoting child abuse in the second degree to include possession of thirty or more

images of child pornography where the content of at least one image contains a minor younger than the age of twelve, sadomasochistic abuse of a minor, or bestiality involving a minor.

Your Committee on Conference finds that child pornography is a permanent record of the actual sexual abuse, exploitation, and assault of innocent and helpless children. Your Committee on Conference further finds that Hawaii's child pornography laws should be strengthened and should distinguish between the various forms of child pornography. Currently, possession of any form of child pornography is covered under the offense of promoting child abuse in the third degree, but a violation is only a class C felony. This measure will amend the offense of promoting child abuse in the second degree, a class B felony, to include particularly violent or egregious child pornography.

Your Committee on Conference has amended this measure by changing the effective date from January 7, 2059, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2221, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2221, S.D. 1, H.D. 1, C.D. 1.

Representatives Mizuno, Keith-Agaran, Cabanilla, Jordan and Pine.  
Managers on the part of the House.  
(Representatives Cabanilla and Pine were excused.)

Senators Chun Oakland, Shimabukuro, Ihara and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 25-12 on S.B. No. 2222**

The purpose of this measure is to address the problem of "sexting", which involves minors taking nude pictures and videos of themselves or other minors, and transmitting the nude images to others by use of a cell phone or other form of electronic communication, by prohibiting:

- (1) Adults from soliciting minors to electronically transmit nude images of minors;
- (2) Minors from electronically transmitting nude images of themselves or other minors, or soliciting other minors to do so; and
- (3) A person from possessing a nude image transmitted by a minor, but making it an affirmative defense that the recipient made reasonable efforts to destroy the transmitted nude image.

Your Committee on Conference finds that the electronic transmission of youth-produced sexual pictures and videos, frequently referred to as "sexting", is a growing problem, particularly because the images can be shared with many people almost instantaneously. Once transmitted, the original transmitter has very limited ability to control or prevent further dissemination. Your Committee on Conference further finds that the images may be used as a commodity for exchange, and the threatened dissemination of these images may be used as leverage against the subject to force the subject to engage in behaviors that may cause embarrassment, at minimum, and possible mental or emotional harm.

Your Committee on Conference also notes concerns regarding the severity of the penalties under this measure and has amended this measure accordingly by:

- (1) Reducing the offense of promoting minor-produced sexual images in the first degree to a misdemeanor;
- (2) Reducing the offense of promoting minor-produced sexual images in the second degree to a petty misdemeanor; and
- (3) Inserting an effective date of upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2222, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2222, S.D. 2, H.D. 1, C.D. 1.

Representatives Mizuno, Keith-Agaran, Cabanilla, Jordan and Pine.  
Managers on the part of the House.  
(Representative Cabanilla was excused.)

Senators Fukunaga, Hee and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

#### **Conf. Com. Rep. 26-12 on H.B. No. 2594**

The purpose of this measure is to propose an amendment to the Hawaii State Constitution authorizing the State to issue special purpose revenue bonds to assist dam and reservoir owners.

Your Committee on Conference has amended this measure by:

- (1) Changing the constitutional question to be printed on the ballot to specify that the proceeds from the special purpose revenue bonds are to be used to assist dam and reservoir owners to make their facilities compliant with current safety standards; and

- (2) Making technical amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2594, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2594, H.D. 2, S.D. 1, C.D. 1.

Representatives Chang, Keith-Agaran, Har, Kawakami, Nakashima, Tsuji and Riviere.  
Managers on the part of the House.  
(Representative Riviere was excused.)

Senators Dela Cruz, Solomon, Hee, Kidani, Kouchi and Slom.  
Managers on the part of the Senate.  
(Senator Kidani voted no.)  
(Senator Hee was excused.)

**Conf. Com. Rep. 27-12 on H.B. No. 2595**

The purpose of this measure is to authorize the State to issue special purpose revenue bonds and use the proceeds from the bonds to assist dam and reservoir owners upon the ratification of a corresponding constitutional amendment.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date of the measure to July 1, 2012; and  
(2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2595, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2595, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Har, Kawakami, Nakashima, Tsuji and Riviere.  
Managers on the part of the House.  
(Representative Riviere was excused.)

Senators Dela Cruz, Solomon, Kidani, Kouchi and Slom.  
Managers on the part of the Senate.  
(Senator Kidani voted no.)

**Conf. Com. Rep. 28-12 on H.B. No. 1957**

The purpose of this measure is to ensure that persons and entities governed by the federal Health Insurance Portability and Accountability Act of 1966 (HIPAA), who use or disclose individually identifiable health information in a manner that is consistent with HIPAA rules, shall be deemed to be in compliance with Hawaii's privacy laws and rules.

Your Committee on Conference has amended this measure by making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1957, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1957, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Herkes, Keith-Agaran and Ching.  
Managers on the part of the House.  
(Representative Ching was excused.)

Senators Green, Baker, Hee and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 29-12 on H.B. No. 1925**

The purpose of this measure is to allow holders of class 1 manufacturer liquor licenses to sell beer, wine, or other specified liquor manufactured or distilled on the licensee's premises from fruits or other products grown in the State, in any quantity to wholesalers in original packages or for private use and consumption.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1925, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1925, H.D. 1, S.D. 1, C.D. 1.

Representatives McKelvey, Yamane, Awana and Pine.

Managers on the part of the House.  
(Representative Pine was excused.)

Senators Nishihara, Espero, Wakai and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 30-12 on H.B. No. 2686**

The purpose of this measure is to shield the owner of private property from liability for any injury or damage suffered by a person resulting from the owner providing emergency access to land, shelter, or subsistence to the person during a disaster in good faith and without remuneration, or expectation of remuneration, unless the injury or damage was caused by the gross negligence or intentional or wanton acts or omissions of the owner.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to upon its approval; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2686, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2686, H.D. 1, S.D. 1, C.D. 1.

Representatives Keith-Agaran, Har, Ito and Thielen.  
Managers on the part of the House.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 31-12 on H.B. No. 2593**

The purpose of this measure is to provide emergency rulemaking authority for agencies to address issues of imminent peril to natural resources or the health of the environment.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2593, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2593, H.D. 2, S.D. 1, C.D. 1.

Representatives Chang, Coffman, Keith-Agaran, Har, Nakashima and Riviere.  
Managers on the part of the House.  
(Representatives Coffman and Riviere were excused.)

Senators Gabbard, Dela Cruz, Hee, Ihara and Slom.  
Managers on the part of the Senate.  
(Senators Hee and Slom were excused.)

**Conf. Com. Rep. 32-12 on H.B. No. 1984**

The purpose of this measure is to:

- (1) Designate the month of February as "‘Ōlelo Hawai‘i Month" to celebrate and encourage the use of Hawaiian language;
- (2) Require that all newly created, replaced, or reprinted state and county documents, letterheads, symbols, and emblems contain accurate, appropriate, and authentic Hawaiian names and language, effective January 1, 2013; and
- (3) Specify that Hawaiian names and words be deemed accurate, appropriate, and authentic when printed in conformance with "Hawaiian Dictionary: Hawaiian-English, English-Hawaiian", by Mary Kawena Pukui and Samuel H. Elbert, University of Hawai‘i Press, copyright 1986, or "Māmaka Kaiao: A Modern Hawaiian Vocabulary", developed by Kōmike Hua‘ōlelo, the Hawaiian Lexicon Committee.

Your Committee on Conference has amended this measure by:

- (1) Adding "Place Names of Hawaii", by Mary Kawena Pukui, Samuel H. Elbert, and Esther T. Mookini, University of Hawai‘i Press,

copyright 1974 as an acceptable reference for determining the accuracy, appropriateness, and authenticity of Hawaiian names and words; and

- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1984, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1984, S.D. 1, C.D. 1.

Representatives Hanohano, McKelvey, Awana and Ward.  
Managers on the part of the House.  
(Representative Ward was excused.)

Senators Galuteria, Fukunaga, English and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 33-12 on H.B. No. 1666**

The purpose of this measure is to promote highway safety by amending the offenses of negligent homicide in the first degree, negligent homicide in the second degree, and negligent injury in the first degree to include provisions for incidents involving a vulnerable highway user.

Hawaii's roadways have often been called dangerous for pedestrians, cyclists, and others who legally use the public right of way without being in a motor vehicle. Unfortunately, when collisions occur between motor vehicles and these individuals, the outcome is often catastrophic. Amending the offenses of negligent homicide in the first degree, negligent homicide in the second degree, and negligent injury in the first degree to include provisions for incidents in which these vulnerable highway users are involved may, at the very least, increase driver awareness of these individuals.

Your Committee on Conference has amended this measure by clarifying that the term of "simple negligence" when used under the offense of negligent homicide in the second degree as applicable to the operation of a vehicle when it involves the death of a vulnerable user shall have the same meaning as that used for "simple negligence" under the offense of negligent homicide in the third degree under the Penal Code.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1666, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1666, H.D. 1, S.D. 1, C.D. 1.

Representatives Souki, Rhoads, Har and Fontaine.  
Managers on the part of the House.  
(Representative Har was excused.)

Senators Hee, Shimabukuro and Gabbard.  
Managers on the part of the Senate.  
(Senator Gabbard was excused.)

**Conf. Com. Rep. 34-12 on H.B. No. 1543**

The purpose of this bill is to prohibit a manufacturer or distributor of motor vehicles from recovering, or attempting to recover, from dealers its cost for reimbursing a dealer for warranty work as required by applicable law.

Your Committee on Conference has amended this bill by:

- (1) Requiring the Director of Commerce and Consumer Affairs to:
- (A) Conduct a review of the costs of the repairs of motor vehicles, including the prices charged by dealers for warranty and non-warranty repairs; and
  - (B) Compare such costs to repairs performed by non-dealers; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1543, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1543, S.D. 1, C.D. 1.

Representatives Yamane, Tokioka and Marumoto.  
Managers on the part of the House.

Senators Baker, Taniguchi and Nishihara.  
Managers on the part of the Senate.



**Conf. Com. Rep. 35-12 on H.B. No. 2623**

The purpose of this measure is to, among other things:

- (1) Extend the same immunity that property held by spouses or reciprocal beneficiaries as tenants by the entirety would have from their separate creditors to conveyances of real property by spouses or reciprocal beneficiaries to joint or separate revocable trusts amendable by both parties, or each individual grantor, respectively, under specified conditions;
- (2) Ensure that the protection of a tenancy by the entirety to real property in the spouses' or reciprocal beneficiaries' trust continues after the death of one of the spouses or reciprocal beneficiaries;
- (3) Establish that if the property transfer is held invalid, or if the trust is revoked or dissolved, all real property held in trust is automatically deemed to be held by both spouses of reciprocal beneficiaries in tenancy by the entirety;
- (4) Establish that upon the divorce or annulment of spouses or the termination of a reciprocal beneficiary relationship the immunity of real property from claims of separate creditors shall immediately terminate and the property will be treated as tenancy in common;
- (5) Allow spouses or reciprocal beneficiaries to waive the tenancy by the entirety protection as to any creditor or any specifically described trust property;
- (6) Place the burden of proving immunity of the trust property from a separate creditor's claims on the spouses or reciprocal beneficiaries in the event of a dispute; and
- (7) Establish that the real property conveyed by the spouses or reciprocal beneficiaries is governed by the terms of the trust and is considered as a tenancy by the entirety property only for protection purposes.

Your Committee on Conference has amended this measure by:

- (1) Adding the requirement that the first and last name of the spouse or reciprocal beneficiary for their respective trusts, or the first and last names of both spouses or reciprocal beneficiaries for their joint trust, are included in the name of the trust as one of the specified conditions for real property conveyed by spouses or reciprocal beneficiaries to a revocable trust to receive the same immunity as spouses or reciprocal beneficiaries would have from their separate creditors as tenants by the entirety;
- (2) Changing the effective date to July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2623, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2623, H.D. 1, S.D. 1, C.D. 1.

Representatives Keith-Agaran, Ito, Tsuji and Thielen.  
Managers on the part of the House.  
(Representative Thielen was excused.)

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 36-12 on H.B. No. 1788**

The purpose of this bill is to update Hawaii's computer crime statutes by adding language mirroring Hawaii's identity theft statutes to better address the realities of modern cybercrime by, among other things:

- (1) Establishing a new offense of computer fraud in the third degree as a class C felony;
- (2) Adding new definitions related to computer crime, and incorporating the elements of phishing and spyware into all computer fraud offenses and unauthorized computer access offenses;
- (3) Changing the offenses of computer fraud in the first degree and unauthorized computer access in the first degree from class B to class A felonies;
- (4) Changing the offenses of computer fraud in the second degree and unauthorized computer access in the second degree from class C to class B felonies;
- (5) Changing the offense of unauthorized computer access in the third degree from a misdemeanor to a class C felony; and
- (6) Increasing the minimum value of identifying information obtained that constitutes unauthorized computer access in the first degree from \$5,000 to \$20,000.

Your Committee on Conference, upon further consideration and based upon the recommendations of the Department of the Attorney General, has amended this measure by:

- (1) Removing references to the use of phishing or spyware to obtain identifying information, from all computer fraud offenses;
- (2) Removing references to the use of phishing or spyware, from all unauthorized computer access offenses;
- (3) Removing references to "identifying information", from the offenses of computer fraud in the first, second, and third degree, and unauthorized computer access in the first and second degree;
- (4) Deleting the element of intent to facilitate the commission of a variety of offenses, from the offense of computer fraud in the first degree;
- (5) Deleting the addition of six new definitions related to computer crime;
- (6) Changing the effective date to upon its approval; and
- (7) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1788, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1788, H.D. 1, S.D. 1, C.D. 1.

Representatives Keith-Agaran, Luke, McKelvey and Fontaine.  
Managers on the part of the House.

Senators Fukunaga, Hee and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 37-12 on H.B. No. 2232**

The purpose of this measure is to require informed consent in certain circumstances before performing pelvic examinations on female patients.

Specifically, this measure prohibits a physician, osteopathic physician, surgeon, or student participating in a course of instruction, residency program, or clinical training program from performing a pelvic examination on an anesthetized or unconscious female patient unless:

- (1) The patient gives prior verbal or written informed consent to the pelvic examination;
- (2) The performance of a pelvic examination is within the scope of care for the surgical procedure or diagnostic examination scheduled to be performed on the patient; or
- (3) The patient is unconscious and the pelvic examination is required for diagnostic purposes.

It is the intent of this measure that pelvic examinations be conducted on an anesthetized female patient with the informed consent of the patient or on an unconscious female patient if the pelvic examination is required for diagnostic purposes.

Your Committee on Conference has amended this measure by clarifying the preamble to specify that:

- (1) The requirement of informed consent applies to pelvic examinations for medical, as well as training purposes; and
- (2) Informed consent ensures that the patient understands the procedure and its attendant risks and benefits and agrees to the procedure being performed.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2232, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2232, H.D. 2, S.D. 1, C.D. 1.

Representatives Yamane, Keith-Agaran, Jordan, M. Lee, Nishimoto and Ching.  
Managers on the part of the House.  
(Representative Ching was excused.)

Senators Green, Hee, Baker and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 38-12 on H.B. No. 2568**

The purpose of this measure is to allow the Department of Health to designate an entity to perform services on its behalf relating to background checks for employment, volunteer, contracting, licensure, or certification purposes.

Your Committee on Conference has amended this measure by:

- (1) Removing redundant references to the Department of Health's designee in the provisions relating to a presumption of good faith for purposes of immunity from civil liability for actions based on criminal history record information;

- (2) Changing its effective date to upon approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2568, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2568, H.D. 2, S.D. 1, C.D. 1.

Representatives Yamane, Keith-Agaran, Morikawa, Tsuji and Ching.  
Managers on the part of the House.

Senators Green, Nishihara and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 39-12 on H.B. No. 2776**

The purpose of this measure is to require operators of adult foster homes, adult residential care homes, assisted living facilities, and expanded adult residential care homes to obtain and maintain liability insurance. The measure also exempts operators of such homes and facilities that are operating under a contract with the Department of Human Services or the Department of Health and are in compliance with the liability insurance coverage requirements of the contract.

Your Committee on Conference has amended this measure by changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2776, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2776, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Keith-Agaran, Morikawa, Jordan and Ching.  
Managers on the part of the House.

Senators Green, Chun Oakland, Ige, Ihara and Slom.  
Managers on the part of the Senate.  
(Senators Ige and Ihara were excused.)

**Conf. Com. Rep. 40-12 on H.B. No. 2244**

The purpose of this measure is to strengthen the State's ability to monitor the import and export of plant commodities.

Specifically, the measure authorizes the Department of Agriculture to make rules to:

- (1) Establish, maintain, and enforce compliance agreements with federal or state departments of agriculture as to the inspection of imported and exported plant commodities; and
- (2) Assess fees for conducting inspections required under the compliance agreements.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2244, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2244, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Hashem, Awana and Riviere.  
Managers on the part of the House.

Senators Nishihara, Espero, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 41-12 on H.B. No. 679**

The purpose of this measure is to exempt National Rifle Association certified instructors from absolute liability for personal injury or property damage during the course of providing firearms training or safety courses or classes at a firing range to persons seeking to acquire a permit for the acquisition of a pistol or revolver in accordance with section 134-2(g)(4), Hawaii Revised Statutes (HRS). Additionally, this measure specifies that the exemption shall not be construed to relieve a National Rifle Association certified firearms instructor from any other applicable tort liability.

Your Committee on Conference notes that "firing range" is not defined in this measure; however, existing statutes contain reference to the term "firing range". Section 134-2, HRS, requires, as one alternative toward obtaining a permit, completion of a firearms training or safety course or class conducted by a state certified or National Rifle Association certified firearms instructor or a certified military firearms instructor that includes firing training at a firing range. Section 134-3, HRS, requires written notification from a firing range or target shooting business for nonresident aliens who wish to meet firearm registration requirements.

Your Committee on Conference has amended this measure by changing its effective date to take effect upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 679, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 679, H.D. 1, S.D. 1, C.D. 1.

Representatives Aquino, Keith-Agaran, Cullen, Ito and Fontaine.  
Managers on the part of the House.

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 42-12 on H.B. No. 1398**

The purpose of this measure is to encourage joint ventures with private parties for the development of public housing by authorizing Hawaii Public Housing Authority to enter into partnership agreements or development agreements with private parties for the development of public housing projects.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1398, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1398, H.D. 1, S.D. 1, C.D. 1.

Representatives Cabanilla, Chang, Kawakami, Ito and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Dela Cruz, Espero, Ige and Slom.  
Managers on the part of the Senate.  
(Senator Dela Cruz was excused.)

**Conf. Com. Rep. 43-12 on H.B. No. 2589**

The purpose of this measure is to clarify responsibility for the disposition of vessels abandoned on public property within the State.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2589, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2589, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Rhoads, Har, McKelvey and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Solomon, Hee, Kidani and Slom.  
Managers on the part of the Senate.  
(Senators Solomon and Slom were excused.)

**Conf. Com. Rep. 44-12 on H.B. No. 1791**

The purpose of this measure is to exempt a person convicted of manslaughter from a mandatory indeterminate term of 20 years imprisonment without the possibility of suspension of sentence or probation, but allows that person to be sentenced to an indeterminate maximum and minimum term of imprisonment to be determined by the court and paroling authority respectively.

According to law enforcement officials, current law is not clear about whether a sentence of probation is possible for a manslaughter conviction and if probation is imposed, the amount of jail time a court may impose as a condition of probation. This lack of clarity has led to courts and prosecutors throughout the State interpreting the law differently. This measure attempts to clarify this confusion.

Your Committee on Conference notes that traffic related fatalities are a serious issue and that persons convicted of certain offenses involving traffic fatalities should be dealt with accordingly. Presently, when a driver is convicted of manslaughter resulting from the operation of a motor vehicle, a court is required to revoke the driver's license to operate a motor vehicle. However, the length of time of the revocation remains unclear. Furthermore, there is no such license revocation provision for drivers convicted of negligent homicide in the first or second degree. Allowing the courts the discretion to impose license revocation periods as well as terms of imprisonment for certain violations up to a maximum period would help to ensure the safety of Hawaii's roadways.

Your Committee on Conference has amended this measure by:

- (1) Requiring the revocation of a license for a driver convicted of negligent homicide in the first or second degrees resulting from the operation of a motor vehicle;
- (2) Providing the court with discretion to determine the period of license revocation;
- (3) Specifying that a person whose license was revoked may not apply for, and the examiner of drivers may not grant, a new driver's license until the expiration of the period of revocation as determined by the court;
- (4) Providing the courts with discretion when determining terms of imprisonment for various offenses and stipulating maximum terms of imprisonment for these offenses;
- (5) Changing its effective date to upon approval; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1791, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1791, S.D. 1, C.D. 1.

Representatives Souki, Keith-Agaran, Har and Fontaine.  
Managers on the part of the House.

Senators English, Hee and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

#### **Conf. Com. Rep. 45-12 on H.B. No. 2685**

The purpose of this measure is to require the Department of Human Services to conduct a study to evaluate current asset limits for public assistance programs, including the Temporary Assistance for Needy Families program, and assess the effects of changing the asset limits for those programs.

Your Committee on Conference has amended this measure by changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2685, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2685, H.D. 2, S.D. 2, C.D. 1.

Representatives Mizuno, Jordan, M. Lee and Pine.  
Managers on the part of the House.  
(Representative Pine was excused.)

Senators Chun Oakland, Ige, Ihara and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

#### **Conf. Com. Rep. 46-12 on H.B. No. 2175**

The purpose of this measure is to exempt members of task forces convened by statute or resolution; executive order or proclamation; or invitation of the Legislature, Governor, or other state officer, to study a specific subject or issue for a specified period of time and to report to, offer a recommendation to, or advise the Legislature, Governor, or a state officer, from the requirements of the state ethics code.

Your Committee on Conference has amended this bill by changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2175, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2175, H.D. 2, S.D. 1, C.D. 1.

Representatives Yamashita, Keith-Agaran, Tokioka and Ward.  
Managers on the part of the House.

Senators Hee, Shimabukuro, Gabbard and Ihara.  
Managers on the part of the Senate.  
(Senator Gabbard was excused.)

#### **Conf. Com. Rep. 47-12 on H.B. No. 2004**

The purpose of this measure is to protect consumers and legitimate businesses from unauthorized transportation services rendered for compensation by establishing a new criminal offense for these activities. Specifically, this measure, among other things:

- (1) Creates the misdemeanor offense of deception of a consumer in transportation services for hire if the person for a charge or other

compensation transports a consumer other than by a bona fide transportation service;

- (2) Defines a bona fide transportation service to include a licensed taxi cab or a transportation service that meets certain specific requirements, including licensure and identification requirements; and
- (3) Requires the vehicle used in the commission of the offense of deception of a consumer in transportation services for hire to be:
  - (A) Impounded, with the vehicle owner being held liable for the costs of storage, towing, and other charges incident to seizure of the vehicle or any other cost involved; or
  - (B) Subject to forfeiture if the vehicle used in the instant offense was used in the commission of a previous offense of deception of a consumer in transportation services for hire within the thirty-six months immediately preceding the instant offense.

According to tourism transportation industry representatives, complaints about illegal commercial transportation services that arrive ahead of scheduled pickups by legitimate businesses to collect customers and fares meant for the legitimate business have been mounting. Tourists have complained about being deceived into paying higher-than-quoted fares and additional payments and being driven to destinations without subsequent return transportation. This measure seeks to halt the activities of illegal transportation services that fail to comply with industry requirements, deceive customers, and steal the business of legitimate transportation operators.

Your Committee on Conference has amended this measure by deleting its contents and replacing it with language that continues to protect consumers and legitimate businesses from unauthorized transportation services rendered for compensation by modifying the relevant state of mind regarding the unlawful operation of motor carriers from "knowingly and wilfully" to "intentionally, knowingly, or recklessly".

Your Committee on Conference has also amended this measure by:

- (1) Changing its effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2004, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2004, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Rhoads, Ichiyama, Yamashita and Fontaine.  
Managers on the part of the House.  
(Representative Yamashita was excused.)

Senators English, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

#### **Conf. Com. Rep. 48-12 on H.B. No. 2513**

The purpose of this measure is to provide the Department of Education with greater flexibility to administer and implement the statewide school health services program by repealing or modifying specified operational requirements established for a 1970 pilot project for health services.

Your Committee on Conference has amended this measure by:

- (1) Reverting back to established statutory language that:
  - (A) Requires that the administration of medication be done with the approval of the Department of Health rather than be based on a nursing assessment and consultation with the Department of Health; and
  - (B) Requires that the medication be necessary for the student's attendance at school, rather than the student's readiness to learn, in order for the medications to be administered by a school health aide;
- (2) Repealing, rather than modifying, the requirement that the Superintendent of Education adopt rules governing the statewide school health services program;
- (3) Deleting the savings clause; and
- (4) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2513, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2513, H.D. 1, S.D. 2, C.D. 1.

Representatives Takumi, Rhoads, Tokioka, Belatti, Takai and Johanson.  
Managers on the part of the House.

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 49-12 on H.B. No. 2347**

The purpose of this measure is to authorize the counties to issue general obligation bonds that are secured by a pledge of receipts, including rates, rentals, fees, charges, taxes, or grants that are in addition to, and are not derived from, an undertaking or loan program for which the bonds are issued.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2347, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2347, S.D. 1, C.D. 1.

Representatives Oshiro, Choy, M. Lee and Ward.  
Managers on the part of the House.  
(Representative Ward was excused.)

Senators Espero, Kidani, Kouchi and Ryan.  
Managers on the part of the Senate.

**Conf. Com. Rep. 50-12 on H.B. No. 2099**

The purpose of this measure is to improve the efficiency of the workers' compensation system by allowing attorney's fees to be included in costs that may be assessed against a party who brings, prosecutes, or defends a workers' compensation claim without reasonable ground.

Hawaii's workers' compensation law was established as a "no fault" type of system where injured workers were provided with medical insurance and wage loss coverage for work-related injuries while employers were protected from civil liability resulting from these injuries. Unfortunately, due to the, at times, contentious nature of workers' compensation cases, claims and appeals proceedings are begun without reasonable grounds. Under current law, if the Director of Labor and Industrial Relations, the Labor and Industrial Relations Appeals Board, or any court finds that the proceedings have been brought without reasonable grounds, the whole costs of the proceedings can be assessed against the party that initiated the proceedings. However, a recent Hawaii Intermediate Court of Appeals ruling found that whole costs did not include attorney's fees. Your Committee on Conference finds that allowing reasonable attorney's fees to be assessed against a party who initiates baseless proceedings will help deter frivolous claims and appeals from being filed under Hawaii's workers' compensation system.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2099, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2099, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, McKelvey, Yamashita, Choy and Fontaine.  
Managers on the part of the House.

Senators Hee, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 51-12 on H.B. No. 2326**

The purpose of this measure is to extend the date for the Tax Review Commission to submit its report to the Legislature.

Your Committee on Conference has amended this measure by:

- (1) Deleting the preamble;
- (2) Changing the effective date to May 2, 2012; and
- (3) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2326, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2326, H.D. 1, S.D. 1, C.D. 1.

Representatives Coffman, Choy, M. Lee, Yamane, Yamashita and Thielen.  
Managers on the part of the House.  
(Representatives Yamashita and Thielen were excused.)

Senators Ige, Kidani and Slom.  
Managers on the part of the Senate.

(Senator Slom was excused.)

**Conf. Com. Rep. 52-12 on H.B. No. 2502**

The purpose of this bill is to help protect Hawaii homeowners by, among other things:

- (1) Allowing the Commissioner of Financial Institutions (Commissioner) to require all mortgage servicers to register with the Nationwide Mortgage Licensing System (NMLS);
- (2) Prohibiting any person licensed as a mortgage servicer from providing mortgage-loan modifications or any other services that would require licensing under chapter 454F, Hawaii Revised Statutes (HRS), without first complying with the licensure requirements of chapter 454F, HRS;
- (3) Allowing the Commissioner to establish relationships or contracts with the NMLS or other entities designated by the NMLS to collect and maintain records and process transaction fees or other fees related to licensees or other applicable persons;
- (4) To the extent reasonably necessary to participate in the NMLS, allowing the Commissioner to waive or modify, in whole or in part, by rule or order, any or all of the requirements of chapter 454M, HRS, and establish new requirements;
- (5) Allowing the Commissioner to use the NMLS as an agent for requesting information from and distributing information to the United States Department of Justice, any governmental agency, or any other source, as directed by the Commissioner; and
- (6) Providing that any person who violates chapter 454M, HRS, may be subject to an administrative fine of not more than \$7,000 for each violation; provided that \$1,000 of the aggregate fine amount per order must be deposited into the Mortgage Foreclosure Dispute Resolution Special Fund.

Your Committee on Conference has amended this bill by:

- (1) Clarifying that, to the extent reasonably necessary to participate in the NMLS, the Commissioner may modify any or all of the requirements of sections 454M-4(e) and 454M-4(f), HRS; and
- (2) Retaining existing statutory provisions pertaining to violations of chapter 454M, HRS, and the related administrative fines.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2502, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2502, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, Choy, Tsuji, Yamane and Riviere.  
Managers on the part of the House.

Senators Baker, Espero and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 53-12 on H.B. No. 2871**

The purpose of this measure is to require the Department of Land and Natural Resources to establish a West Maui Ocean Recreation Management Area Advisory Committee comprised of users of the ocean to work with the Department on issues arising relating to the area, particularly the waters adjacent to Kaanapali.

Your Committee on Conference has amended this measure by:

- (1) Requiring that the Department of Land and Natural Resources establish the advisory committee no later than September 1, 2012;
- (2) Specifying that the advisory committee is temporary and shall expire on June 30, 2015;
- (3) Changing the composition of the temporary advisory committee to include one commercial boating enthusiast and one fishing enthusiast;
- (4) Exempting the temporary advisory committee members from the provisions of chapter 84, Hawaii Revised Statutes, with regard to participation on the temporary advisory committee;
- (5) Requiring the Department of Land and Natural Resources to submit an annual report to the Legislature no later than twenty days prior to the convening of each regular session until the expiration of the temporary advisory committee;
- (6) Changing the effective date to July 1, 2012; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2871, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2871, H.D. 1, S.D. 1, C.D. 1.



Representatives Chang, Har, McKelvey and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Solomon, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Kidani was excused.)

**Conf. Com. Rep. 54-12 on H.B. No. 2328**

The purpose of this bill is to provide for the more efficient collection of estate and transfer taxes by establishing a new chapter in the Hawaii Revised Statutes governing estate and generation-skipping transfer taxes.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of a "decedent";
- (2) Specifying that the provisions established in this measure apply to decedents dying or taxable transfers occurring after January 25, 2012, and making the provisions of Chapter 236D, Hawaii Revised Statutes, Estate and Transfer Tax, inoperative after that date; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2328, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2328, H.D. 1, S.D. 1, C.D. 1.

Representatives Choy, Giugni, Ichiyama and Ward.  
Managers on the part of the House.  
(Representative Ward was excused.)

Senators Ige, Fukunaga, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 55-12 on H.B. No. 2290**

The purpose of this measure is to require Children and Youth Day celebrations and public events to be held in the State Capitol area at specified times.

Your Committee on Conference has amended this measure by:

- (1) Removing the reference to the Children and Youth Day planning committee;
- (2) Authorizing, rather than requiring, the celebrations and public events to be held; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2290, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2290, H.D. 1, S.D. 2, C.D. 1.

Representatives Mizuno, Jordan and Pine.  
Managers on the part of the House.  
(Representative Pine was excused.)

Senators Chun Oakland, Ige, Kouchi, Fukunaga and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 56-12 on H.B. No. 2320**

The purpose of this measure is to implement the recommended amendments of the Ignition Interlock Implementation Task Force to the ignition interlock law. Specifically, this measure, among other things:

- (1) Allows a person whose driver's license was revoked after December 31, 2010, to apply for a driver's license renewal, subject to the requirements of the ignition interlock law;
- (2) Enables a repeat intoxicated driver who is arrested after December 31, 2010, and is otherwise eligible to operate a motor vehicle with an ignition interlock system to obtain a motor vehicle registration and number plates, by requiring the Director of Transportation to remove any stopper imposed on the motor vehicle registration files;

- (3) Allows a person whose driver's license was revoked for life for multiple convictions for operating a vehicle under the influence of an intoxicant, among other persons, to petition for an ignition interlock instruction permit and establishes procedures to do so;
- (4) Repeals the requirement that the law enforcement officer making an arrest for operating a vehicle under the influence of an intoxicant take possession of the motor vehicle registration of a repeat intoxicated driver, remove the number plates, and issue a temporary motor vehicle registration and temporary license plates;
- (5) Repeals the requirement that notice of administration revocation of a license shall include a statement that the Director of Transportation may grant a special motor vehicle registration to a qualified household member or to a co-owner of any motor vehicle owned by the respondent under certain circumstances;
- (6) Repeals the requirement that the Director of Transportation administratively revoke the registration of any vehicle owned or registered to the respondent, and take custody of any number plates issued to the respondent, if the Director determines that the respondent is a repeat intoxicated driver;
- (7) Requires proof that the respondent has installed an ignition interlock device in any vehicle the respondent operates and has obtained motor vehicle insurance or self-insurance, before the Director of Transportation issues an ignition interlock permit during the license revocation period; and
- (8) Prohibits the issuance of an ignition interlock permit to a respondent who holds a license that is a learner's permit or instruction permit.

Over the past several years, Hawaii has had a high incidence of alcohol-related traffic fatalities. While enforcement of existing laws governing the operation of a vehicle under the influence of an intoxicant has had an impact on alcohol-related traffic fatalities, the Legislature determined that more needed to be done to substantially reduce the number of fatalities.

In response to alarming numbers, H.C.R. No. 28, H.D. 1, was passed during the 2007 legislative session, calling for a working group to be formed to study the issue of ignition interlock devices and make recommendations leading to legislation. As a result, the Ignition Interlock Implementation Task Force (Task Force) was formed in 2008, and presented its initial recommendations to the Legislature during the Regular Session of 2009 and made additional recommendations to the Legislature during the Regular Session of 2010. The culmination of the Task Force recommendations was the enactment of the Ignition Interlock Law in January of 2011.

The installation of ignition interlock devices, which prohibit a vehicle from being started until the driver of the vehicle passes a breathalyzer test that is connected to the ignition of the vehicle, has been shown to be an effective method of stopping alcohol-impaired drivers from getting behind the wheel of their vehicles. With an annual average of 5,500 arrests for operating a vehicle under the influence of an intoxicant in Hawaii each year, enactment of the Ignition Interlock Law was viewed as another step toward stopping the senseless tragedies of alcohol-related traffic fatalities. However, since the implementation of the Ignition Interlock Law in January of 2011, there remain several unresolved issues regarding this law, particularly with regard to repeat offenders and those with lifetime license revocations. This measure attempts to address these issues.

Your Committee on Conference has amended this measure by:

- (1) Changing the minimum period of time a person subject to a lifetime license revocation for operating a motor vehicle under the influence of an intoxicant needs to maintain an ignition interlock permit before filing a petition in district court to reinstate the person's license and privilege to operate a vehicle without an ignition interlock device from seven years to five years;
- (2) Conforming the requirements for the contents of a petition to reinstate eligibility for a license and privilege to operate a motor vehicle without an interlock device to reflect the five-year minimum period required between issuance of the device and petition to remove the device;
- (3) Requiring the district court to consider whether certain requirements are met in determining whether the petitioner may be granted an ignition interlock instruction permit;
- (4) Allowing the district court to consider any other factors, including but not limited to the petitioner's criminal and traffic record after receiving a lifetime license revocation, in determining whether the petitioner may be granted an ignition interlock instruction permit;
- (5) Requiring the district court to determine whether an order allowing the petitioner to apply for an ignition interlock instruction permit and requiring the removal of any stopper placed on the petitioner's motor vehicle registration files shall be issued;
- (6) Requiring a copy of the petition for reinstatement of a person's eligibility for license and privilege to operate a vehicle without an ignition interlock device to be served on the prosecuting attorney in the county in which the petition is filed;
- (7) Establishing additional information required to be included in the petition for reinstatement of a person's eligibility for license and privilege to operate a vehicle without an ignition interlock device including things such as:
  - (A) A certificate of service demonstrating the place, time, and manner of service of the petition on the prosecuting attorney;
  - (B) A certified record from the Hawaii Criminal Justice Information System that shows the petitioner's current criminal history record;
  - (C) A statement from the petitioner establishing where the petitioner has resided since the ignition interlock permit was issued; and
  - (D) A statement from the petitioner as to whether the petitioner has undergone substance abuse assessment and treatment and

the outcome of this assessment and treatment;

- (8) Inserting language allowing the prosecuting attorney to submit a written request for a hearing on the petition for reinstatement of a person's eligibility for license and privilege to operate a vehicle without an ignition interlock device;
- (9) Inserting language regarding the conduct and disposition of hearings on the request for a petition under (8) above if the prosecuting attorney requests a hearing on the petition;
- (10) Stipulating that provisions allowing a petition to be filed for reinstatement of a driver's license and removal of the ignition interlock requirement shall not be interpreted to allow repeat intoxicated driving to be treated as a first time offense for purposes of relicensing;
- (11) Ensuring that the authority of the Child Support Enforcement Agency to request a license suspension for individuals not paying child support is not undermined;
- (12) Changing its effective date to July 1, 2012; and
- (13) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2320, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2320, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Keith-Agaran, Ichiyama, Har and Fontaine.  
Managers on the part of the House.

Senators English, Hee and Espero.  
Managers on the part of the Senate.

**Conf. Com. Rep. 57-12 on H.B. No. 2740**

The purpose of this measure is to maintain the reduced cost of electricity generation fueled by naphtha by extending the sunset date of the reduced fuel license tax on naphtha used in a power-generating facility to December 31, 2017.

Your Committee on Conference has amended this measure by:

- (1) Changing the repeal date of the reduced fuel license tax on naphtha used in a power-generating facility to December 31, 2015; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2740, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2740, H.D. 1, S.D. 1, C.D. 1.

Representatives Coffman, Kawakami, Morikawa, Nakashima, Tokioka and Thielen.  
Managers on the part of the House.  
(Representative Morikawa was excused.)

Senators Gabbard, Kouchi and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 58-12 on H.B. No. 1705**

The purpose of this measure is to exempt from the state income and general excise taxes, privately-owned nonprofit public water systems that are federally tax-exempt under section 501(c)(12) of the Internal Revenue Code and supply potable water to communities that lack any access to public utility water services.

Your Committee on Conference has amended this measure by making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1705, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1705, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Choy, Evans and Ward.  
Managers on the part of the House.

Senators Ige, Wakai and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 59-12 on H.B. No. 1295**

The purpose of this measure is to deter unlicensed contracting activity.

Specifically, the measure:

- (1) Adds a new part to Chapter 708, Hawaii Revised Statutes, that establishes:
  - (A) Misdemeanor and felony offenses relating to unlicensed contracting activity;
  - (B) Felony offenses relating to unlicensed contractor fraud; and
  - (C) A method for valuation of property in unlicensed contractor fraud cases; and
- (2) Amends the Uniform Professional and Vocational Licensing Act, Chapter 436B, Hawaii Revised Statutes, to clarify a provision relating to penalties for unlicensed contracting activity.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Clarifying that the offense of unlicensed contracting activity does not apply when the person is unlicensed only because of an inadvertent failure to renew a previously existing license;
- (2) Separating the offense of unlicensed contractor fraud into first and second degree offenses based upon the total value of the property obtained by commission of the fraud;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1295, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1295, H.D. 3, S.D. 2, C.D. 1.

Representatives McKelvey, Keith-Agaran, Herkes, Choy and Pine.  
Managers on the part of the House.

Senators Hee, Kidani, Baker and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 60-12 on H.B. No. 2644**

The purpose of this bill is to:

- (1) Require the Public Utilities Commission (PUC) to:
  - (A) Integrate and implement utility and regulatory best practices; and
  - (B) Establish a system to gather, assess, and update utility and regulatory best practices, and implement appropriate best practices; and
- (2) Allow the PUC to authorize preferential water carrier service rates by tariff for ratepayers that engage in agricultural activities.

Your Committee on Conference has amended this bill by removing the provisions requiring the PUC to:

- (1) Integrate and implement utility and regulatory best practices; and
- (2) Establish a system to gather, assess, and update utility and regulatory best practices, and implement appropriate best practices.

Technical, nonsubstantive amendments were also made for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2644, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2644, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Oshiro, Hashem, Souki and Marumoto.  
Managers on the part of the House.  
(Representative Souki was excused.)

Senators Baker, Ige, Green, Solomon and Slom.  
Managers on the part of the Senate.  
(Senator Solomon was excused.)

**Conf. Com. Rep. 61-12 on H.B. No. 1892**

The purpose of this measure is to ensure that the Reapportionment Commission has adequate funding to effectively carry out its mission by:

- (1) Placing the Reapportionment Commission within the Office of Elections for administrative purposes only; and
- (2) Requiring the Chief Election Officer, during each regular legislative session that immediately precedes an apportionment year, to request an appropriation for the Reapportionment Commission.

Your Committee on Conference has amended this measure by:

- (1) Making it effective upon its approval; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1892, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1892, S.D. 1, C.D. 1.

Representatives Keith-Agaran, M. Lee and Thielen.  
Managers on the part of the House.

Senators Hee, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 62-12 on H.B. No. 2265**

The purpose of this measure is to make the purchase of goods, services, and construction more efficient for state agencies.

Specifically, the measure:

- (1) Provides that procurements for construction greater than \$50,000 shall be secured by a payment bond, in addition to the performance bond that is already required;
- (2) Increases the maximum amount of a procurement for which small purchase procedures may be used from less than \$100,000 to less than \$250,000;
- (3) Makes permanent the amendments to section 103D-305, Hawaii Revised Statutes, made by Act 175, Session Laws of Hawaii 2009; and
- (4) Makes clarifying amendments and repeals outdated language.

Upon further consideration, your Committee on Conference has amended this measure by:

- (1) Reenacting the sunsetted amendments made by Act 175, Session Laws of Hawaii 2009, to sections 103D-709, 103D-710(c), and 103D-710(e), Hawaii Revised Statutes, and the provision requiring the State Procurement Office to keep statistics on solicitations and awards protested;
- (2) Changing the effective date to June 30, 2012; and
- (3) Making technical nonsubstantive amendments for purposes of style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2265, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2265, H.D. 2, S.D. 2, C.D. 1.

Representatives McKelvey, Choy, Tsuji and Marumoto.  
Managers on the part of the House.

Senators Espero, Kidani and Kouchi.  
Managers on the part of the Senate.

**Conf. Com. Rep. 63-12 on H.B. No. 1875**

The purpose of this measure is to implement the final recommendations of the Mortgage Foreclosure Task Force, which were submitted to the Legislature for the Regular Session of 2012, and other best practices to improve the mortgage foreclosures law and address related issues affecting homeowner association liens and the collection of unpaid assessments.

Specifically, this measure, among other things:

- (1) Amends section 667-60, Hawaii Revised Statutes, which makes any violation of the mortgage foreclosure law under Chapter 667, Hawaii Revised Statutes, an unfair or deceptive act or practice subject to enhanced penalties under Chapter 480, Hawaii Revised Statutes, to:
  - (A) Specify the types of violations under Chapter 667 that constitute unfair or deceptive acts or practices;
  - (B) Limit the types of violations that may void a title transfer of foreclosed property; and
  - (C) Establish a time limit for filing actions to void title transfers of foreclosed property;
- (2) Repeals the nonjudicial foreclosure process under Part I of Chapter 667, Hawaii Revised Statutes, to provide for a single nonjudicial foreclosure process under Part II of that chapter;
- (3) Makes permanent the process under Act 48, Session Laws of Hawaii 2011, for converting nonjudicial foreclosures of residential property to judicial foreclosures;
- (4) With regard to the temporary mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, for owner-occupants of residential property facing nonjudicial foreclosure:
  - (A) Makes the program permanent by repealing its sunset date;
  - (B) Repeals the prohibition against participants of the program converting their nonjudicial foreclosure proceedings to judicial actions; and
  - (C) Streamlines the dispute resolution process;
- (5) With regard to condominium and planned community associations:
  - (A) Establishes an alternate power of sale process for the collection of unpaid assessments, modeled after the process set forth in Part II of Chapter 667, Hawaii Revised Statutes, as amended by the task force's recommendations;
  - (B) Places a time limit on recorded liens for unpaid assessments, excluding liens that automatically arise pursuant to law or the governing documents of the association, and provides that the recorded lien will not expire if proceedings to enforce the lien are instituted prior to the end of the time limit;
  - (C) Prohibits nonjudicial foreclosures of association liens arising solely from fines, penalties, legal fees, or late fees;
  - (D) Provides associations with notice of an owner-occupant's decision to participate in the mortgage foreclosure dispute resolution program; and
  - (E) Allows associations to proceed with a nonjudicial foreclosure, notwithstanding a stay of foreclosure proceedings arising from a dispute resolution case opening, if the association has not been notified of the foreclosure action by the foreclosing mortgagee or of the dispute resolution case opening;
- (6) With regard to planned community associations organized under Chapter 421J, Hawaii Revised Statutes:
  - (A) Provides these associations with the same options and protections as condominium associations with regard to association liens for assessments and the collection of unpaid assessments from tenants or rental agents; and
  - (B) Exempts these associations from the requirements of the mortgage foreclosure dispute resolution program and the process allowing owner-occupants to convert nonjudicial foreclosures to judicial foreclosures, to parallel the existing exemptions for condominium associations; and
- (7) Clarifies, improves, and corrects provisions of Act 48, Session Laws of Hawaii 2011, relating to mortgage foreclosures.

Your Committee on Conference finds that Act 162, Session Laws of Hawaii 2010, established the Mortgage Foreclosure Task Force to recommend policies and procedures to improve the way mortgage foreclosures are conducted in the State. Act 162 required the task force to submit its findings and recommendations, including any proposed legislation, to the Legislature for the regular sessions of 2011 and 2012.

Some of the task force's initial recommendations in its report to the Legislature for the Regular Session of 2011 were included in Act 48, Session Laws of Hawaii 2011, a far-reaching mortgage foreclosure reform measure. This measure implements the recommendations in the task force's final report to the Legislature for the Regular Session of 2012, along with other best practices, to further improve the mortgage foreclosures law and address related issues affecting homeowner association liens for unpaid assessments.

Your Committee on Conference finds that section 667-60, Hawaii Revised Statutes, currently provides that any violation of the mortgage foreclosures law under Chapter 667, Hawaii Revised Statutes, is an unfair or deceptive act or practice (UDAP) under section 480-2, Hawaii Revised Statutes. While this measure amends section 667-60 to enumerate specific UDAP violations under Chapter 667, this list of violations is not intended to be exhaustive. It should be noted that the federal Ninth Circuit Court of Appeals recently affirmed a federal bankruptcy court decision rendered before the enactment of section 667-60 and holding that a nonjudicial foreclosure violation for failure to publicly announce the postponement of a foreclosure sale constituted a deceptive practice under section 480-2 (*Kekauoha-Alisa v. Ameriquest Mortgage Company, et al.*, No. 09-60019 (9th Cir. March 26, 2012)). It is the intent of your Committee on Conference to uphold the ability of courts, in appropriate circumstances, to determine UDAP liability for violations of the mortgage foreclosures law that are not specifically listed in section 667-60.

In addition, your Committee on Conference finds merit in the provision from the S.D. 1 of this measure requiring that attorneys filing a judicial foreclosure action relating to a mortgage on residential property sign and submit an affirmation that the attorney has verified the accuracy of the documents submitted in the filing, under penalty of perjury and subject to applicable rules of professional conduct. This provision is modeled after a requirement established by the New York Judiciary to maintain the integrity of the foreclosure process. Your Committee on Conference notes a recent news report concerning an audit by San Francisco county officials of approximately four hundred foreclosures in the county from January 2009 to November 2011 that found about eighty-four percent of foreclosure sale files contained clear violations of the law and two-thirds had at least four violations or irregularities ("Audit Uncovers Extensive Flaws in Foreclosures, The New York Times, February 15, 2012). Such reports suggest how pervasive foreclosure abuses and irregularities may be across the nation. An attorney affirmation requirement will promote diligence and accountability in judicial foreclosure filings and help ensure that Hawaii's courts are not used as instruments of fraud in foreclosure actions.

Your Committee on Conference has amended this measure by:

- (1) With regard to attorney affirmations for judicial foreclosure filings relating to mortgages on residential property:
  - (A) Restoring the attorney affirmation provision from the S.D. 1 of this measure;
  - (B) Clarifying that the affirmation provision applies to attorneys filing on behalf of a mortgagee;
  - (C) Providing that the attorney affirmation provision applies to all pending judicial foreclosure actions filed by mortgagees for residential property prior to, as well as on and after, the effective date of this measure; and
  - (D) On July 1, 2017:
    - (i) Repealing the attorney affirmation provision described in subparagraph (A); and
    - (ii) Putting into effect an alternate provision requiring an attorney who files a mortgage foreclosure action to affirm in writing, under penalty of perjury, that to the best of the attorney's knowledge, information, and belief the allegations in the complaint are warranted by existing law and have evidentiary support;
- (2) Restoring the provisions in current law prohibiting participants of the mortgage foreclosure dispute resolution program under Part V of Chapter 667, Hawaii Revised Statutes, from converting their nonjudicial foreclosure proceedings to judicial actions;
- (3) With regard to the time limit on filing actions to void the transfer of title to the purchaser in a foreclosure sale:
  - (A) Reducing the time limit from one hundred eighty days after recordation of the affidavit after public sale, to sixty days after recordation; and
  - (B) Applying the time limit only to nonjudicial foreclosures under Part II of Chapter 667, Hawaii Revised Statutes;
- (4) With regard to deficiency judgments to collect on any insufficiency of foreclosure sale proceeds to satisfy the debt:
  - (A) Deleting the new provision that would prohibit deficiency judgments against owner-occupants of residential properties sold in judicial foreclosures; and
  - (B) For nonjudicial foreclosures of mortgages conducted under Part II of Chapter 667, Hawaii Revised Statutes, prohibiting deficiency judgments only with respect to owner-occupant residential properties, unless the debt is secured by other collateral;
- (5) With regard to the new publication requirements for public notices of public sale for judicial foreclosures, nonjudicial foreclosures under Part II of Chapter 667, Hawaii Revised Statutes, and association nonjudicial foreclosures for the collection of unpaid assessments under the new part established in Chapter 667:
  - (A) Adding associations to the types of foreclosing entities subject to the new publication requirements for judicial foreclosures;
  - (B) For newspaper publications:
    - (i) Requiring that the newspaper be distributed within the geographic area of the property for at least one year, rather than six months, and to at least three percent of the residents of that geographic area, rather than at least one percent of those residents;
    - (ii) Defining "geographic area" to mean the real property tax zone of the property if located in the County of Hawaii, or otherwise the county in which the property is located; and
    - (iii) Repealing the newspaper criteria two years after the effective date of this measure, and thereafter requiring that the public notice appear in a newspaper that is published at least weekly and has a general circulation in the county in which the property is located;
  - (C) For website publications:
    - (i) Requiring the public notice to be published at least once by newspaper at least fourteen days prior to the public sale;

- (ii) Authorizing publication on a state website at the discretion of the agency that maintains the website, but requiring that for owner-occupant mortgaged properties facing nonjudicial foreclosure under Part II of Chapter 667, Hawaii Revised Statutes, the public notice shall be published on a website maintained by the Department of Commerce and Consumer Affairs;
  - (iii) Specifying a filing fee of \$300 for publishing the public notice of public sale for owner-occupant mortgaged properties on the Department of Commerce and Consumer Affairs' website; and
  - (iv) Requiring the Department of Commerce and Consumer Affairs to make its website available for posting public notices of public sale for nonjudicial foreclosures of owner-occupant mortgaged properties under Part II of Chapter 667, Hawaii Revised Statutes, by August 30, 2012; and
- (D) For nonjudicial foreclosures under Part II of Chapter 667, Hawaii Revised Statutes, and association nonjudicial foreclosures under the new part established in Chapter 667, changing the required foreclosure notice statement concerning publication of public notice of the public sale to specifically include the option to publish by newspaper, as well as on the Department of Commerce and Consumer Affairs' website;
- (6) Deleting the amendments to section 667-56, Hawaii Revised Statutes, to allow foreclosing mortgagees to complete nonjudicial foreclosure proceedings while the mortgagor is seeking a loan modification from the mortgagee or applying for a federal loan modification program, if the mortgagor is applying to the same entity for more than the third time;
  - (7) Amending the title of Chapter 667, Hawaii Revised Statutes, from "Mortgage Foreclosures" to "Foreclosures", to accommodate the new provisions added by this measure that do not directly relate to mortgages;
  - (8) Adding a severability clause;
  - (9) Adding a savings clause;
  - (10) Making this measure effective upon its approval; and
  - (11) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1875, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1875, H.D. 2, S.D. 2, C.D. 1.

Representatives Herkes, Keith-Agaran, Choy, Tsuji and Riviere.  
Managers on the part of the House.

Senators Baker, Hee, Ihara, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Kidani was excused.)

#### **Conf. Com. Rep. 64-12 on H.B. No. 2078**

The purpose of this bill is to foster consumer protection in the transient accommodation industry and enforce transient accommodations tax compliance by requiring:

- (1) Owners who reside outside of the State or on another island from the location of the transient accommodation to designate an agent residing on the same island as the transient accommodation; and
- (2) All advertisements and solicitations for transient accommodations to display the registration identification number and name of designated agent for the transient accommodations.

Your Committee has amended this bill by:

- (1) Requiring the designation of a "local contact" for transient accommodations rather than the employment of a "designated agent" for purposes of complying with this measure;
- (2) Deleting certain references and duties pertaining to a "designated agent";
- (3) Deleting references to single owners that differentiated such owners from condominiums or other cooperative associations;
- (4) Changing the term "owner" to "operator" throughout for purposes of consistency with existing relevant statutes;
- (5) Requiring all operators of transient accommodations to designate a local contact;
- (6) Clarifying that a non-governmental entity with covenants, bylaws, and administrative provisions must provide the Department of Taxation with relevant information related to all owners of transient accommodations maintained in its records to avoid penalties;
- (7) Clarifying that only the registration identification numbers for all transient accommodations shall be displayed on web-based advertisements and solicitations;



- (8) Removing the requirement for the Department of Taxation to provide relevant information in relation to operators of transient accommodations on its website for the public;
- (9) Adding a sunset date of December 31, 2015; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

It is not the intent of your Committee on Conference that the term "transient accommodations" include resort time share vacation units and resort time share vacation interests subject to chapter 514E, Hawaii Revised Statutes, relating to time share plans.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2078, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2078, H.D. 2, S.D. 2, C.D. 1.

Representatives Brower, Herkes, Tokioka, Nishimoto, Tsuji and Ching.  
Managers on the part of the House.  
(Representative Ching was excused.)

Senators Kouchi, Baker and Kahele.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 65-12 on H.B. No. 1054**

The purpose of this measure is to assist communities to more effectively support their local libraries by, among other things:

- (1) Authorizing the Board of Education to enter into arrangements or contracts approved by the Governor with any specified tax-exempt nonprofit corporation whose primary purpose is the support of a library within the Hawaii State Public Library System to obtain the use of the books, property, and income of the tax-exempt nonprofit;
- (2) Authorizing the deposit of private donations into the Libraries Special Fund and requiring that moneys specified by a donor to be for the benefit of a specific library be disbursed to that library for its sole use;
- (3) Authorizing the State Librarian to create subaccounts within the Libraries Special Fund to itemize designated private donations;
- (4) Authorizing the head librarian of each library branch, with the approval of the State Librarian in consultation with the Board of Education, to allow the use of public library system facilities and grounds;
- (5) Requiring the net income or proceeds derived from the operation of concessions, vending machines, or other for-profit business enterprises operated within or on the grounds of State library facilities to be deposited into the Libraries Special Fund, with the Board of Education determining the amount;
- (6) Clarifying that a public library is not required to permit the use of its facilities and grounds in order for any entity to establish a tax-exempt nonprofit corporation; and
- (7) Repealing all reference to the Friends of the Library of Hawaii in specified sections of the Hawaii Revised Statutes.

The role the State's public library system plays in enhancing the lives of people in Hawaii's communities has continued to grow and so too does the importance of the organizations that support these vital public institutions. A strong public library system contributes to the economic, educational, and cultural vitality of both the State and the individual communities it serves. Your Committee on Conference hopes that passage of this measure will provide the opportunity for, and encourage, additional public-private partnerships to continue to benefit the state library system at the community level.

Your Committee on Conference also wishes to acknowledge the passion and dedication of those individuals who have given so enthusiastically and selflessly of their time and energy to support the libraries in their communities. Advocates tirelessly contributed to the development and evolution of this measure, which represents the legislative process at its finest.

Your Committee on Conference has amended this measure by:

- (1) Reinstating reference to the Friends of the Library of Hawaii;
- (2) Clarifying that the Board of Education may enter into arrangements and contracts approved by the Governor with affiliates of the Friends of the Library of Hawaii to obtain the use of the affiliate's books, property, and income;
- (3) Removing provisions permitting the deposit of private donations into the Libraries Special Fund;
- (4) Authorizing the head librarian of each library branch, under the specified conditions, to allow affiliates of the Friends of the Library of Hawaii, through and with the approval of the Friends of the Library of Hawaii, use of state library system facilities and grounds;
- (5) Deleting the requirement that the net income or proceeds derived from the operation of concessions, vending machines, or other for-profit business enterprises be deposited into the Libraries Special Fund, with the Board of Education determining the amount;
- (6) Deleting language clarifying that a public library is not required to permit the use of its facilities and grounds in order for any entity to establish a tax-exempt nonprofit corporation;

- (7) Deleting language specifying that book sales held within or on the grounds of any state library facility will not constitute concessions;
- (8) Requiring that all net proceeds received by the Friends of the Library of Hawaii from the operation of any concession, vending machine, or other activity through a state-wide contract within or on the grounds of any state library facility be deposited in the Friends of the Library of Hawaii Trust Fund;
- (9) Requiring the Friends of the Library of Hawaii, its affiliates, and any nonprofit organization that has used state library facilities for fundraising activities to:
  - (A) Deposit the net proceeds of those fundraising activities into individual accounts in a federally insured financial institution with specified conditions for the use of such funds;
  - (B) Prepare and submit to the State Librarian an annual financial statement including specified criteria, with the statement of the Friends of the Library of Hawaii to include the annual financial statements of its affiliates; and
  - (C) Keep true and accurate records of their fundraising activities, subject upon demand to inspection by the State Librarian, for not less than five years;
- (10) Requiring the State Librarian, after giving ten days notice, to revoke any license, permit, concession, or right of entry issued to any organization that fails to comply with the specified requirements;
- (11) Including definitions for "affiliate of the Friends of the Library of Hawaii" and "net proceeds";
- (12) Authorizing, rather than requiring the Board of Education to adopt rules; and
- (13) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1054, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1054, H.D. 1, S.D. 1, C.D. 1.

Representatives Takumi, Yamashita, Hashem, Mizuno and Johanson.  
Managers on the part of the House.  
(Representative Mizuno was excused.)

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 66-12 on S.B. No. 2103**

The purpose of this measure is to:

- (1) Require registered nurses using reasonable judgment to carry out the orders of a licensed physician assistant practicing with physician supervision and acting as an agent of the supervising physician; and
- (2) Specify that if the nurse completes an accredited graduate-level education program to be recognized as an advanced practice registered nurse, the program must prepare the nurse for one of the four recognized advanced practice registered nurse roles instead of leading to a master's degree as a certified registered nurse anesthetist, nurse midwife, clinical nurse specialist, or nurse practitioner.

Your Committee on Conference finds that clarifying the scope of authority for physician assistants will relieve misunderstandings between hospital administrators, nurses, and other staff and facilitate the provision of better health care services.

Your Committee on Conference has amended this measure by:

- (1) Reverting back to the S.D. 2 version of this measure, which differs substantively by:
  - (A) Not amending the formal education requirements for recognition as an advanced practice registered nurse; and
  - (B) Changing the effective date to upon approval; and
- (2) Inserting a repeal date of July 1, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2103, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2103, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Herkes, M. Lee and Ching.  
Managers on the part of the House.

Senators Green, Baker, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Espero was excused.)

**Conf. Com. Rep. 67-12 on S.B. No. 2341**

The purpose of this measure is to authorize agricultural tourism activities in agricultural districts, including overnight accommodations of twenty-one days or less, within a county with a population greater than one hundred thousand people, but less than one hundred fifty thousand people; provided that the activities coexist with a bona fide agricultural activity and the county has adopted ordinances regulating agricultural tourism.

Your Committee on Conference finds that agricultural tourism has been successful in other areas of the United States, such as Napa Valley in California. The creation of more opportunities for farmers and ranchers to raise capital must be considered when looking at ways to make Hawaii more self-sufficient in food production.

Your Committee on Conference has amended this measure by:

- (1) Adding language to the purpose section to highlight potential agricultural tourism opportunities in the State, while recognizing the Legislature's intent to enable the counties to make their own determinations regarding the allowance of certain activities on, or uses of, land in agricultural districts;
- (2) Amending sections 205-2 and 205-4.5, Hawaii Revised Statutes, to:
  - (A) Clarify that the agricultural tourism activities are permitted for any one stay within a county that includes three or more islands and has adopted ordinances regulating agricultural tourism under section 205-5, Hawaii Revised Statutes; and
  - (B) Broaden the definition of "bona fide agricultural activity";
- (3) Repealing language in section 205-5(b), Hawaii Revised Statutes, which prohibits agricultural tourism activities within agricultural districts in the absence of a bona fide farming operation; and
- (4) Making this measure effective upon approval.

Your Committee on Conference further finds that this measure, as amended, will still require that agricultural tourism activities coexist with a bona fide agricultural activity in order for the agricultural tourism activities to be permissible within agricultural districts.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2341, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2341, S.D. 2, H.D. 2, C.D. 1.

Representatives Tsuji, McKelvey, Chang, Brower, Tokioka and Riviere.  
Managers on the part of the House.  
(Representative Brower was excused.)

Senators Nishihara, Dela Cruz, Kim and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 68-12 on S.B. No. 2646**

The purpose of this measure is to encourage and support diversified agriculture and agricultural self-sufficiency in the State by providing an exemption from building permit requirements for nonresidential agricultural and aquacultural buildings or structures on commercial farms and ranches located outside of the urban district under certain conditions.

Your Committee on Conference finds that nonresidential agricultural and aquacultural buildings are often required to meet the same county permitting requirements as commercial buildings and buildings used for human habitation.

Your Committee on Conference further finds that several other jurisdictions in the United States have either state statutes or county codes or ordinances that exempt agricultural buildings from zoning, building code, and building permit requirements. For example, Iowa, Illinois, and Arizona have exempted agricultural buildings from such requirements under the concept of "the right to farm." In adopting this measure and removing burdensome obstacles for Hawaii's agricultural and aquacultural communities, the State will be supporting the language and intent of article XI, section 3, of the Hawaii State Constitution, which requires the State to "promote diversified agriculture" and "increase agricultural self-sufficiency".

In addition, your Committee on Conference finds that this measure addresses the needs of Hawaii's agricultural and aquaculture community while being mindful of health and safety concerns.

Your Committee on Conference has amended this measure by:

- (1) Adding language to require that no later than January 1, 2013, each county shall establish a list of agricultural buildings and structures that are exempt from existing county building permit requirements and to establish requirements for agricultural buildings, structures, or appurtenances thereto that may be exempt;
- (2) Adding the requirement that upon completion or installation of the agricultural building, structure, or appurtenance thereto, the owner or occupier seeking a county permitting exemption shall provide the required written notice to the appropriate fire department and county building permitting agency within thirty days of the completion or installation;
- (3) Adding language to clarify that no electrical power and no plumbing systems shall be connected to the building or structure without

first obtaining the appropriate county electrical or plumbing permit, and all such installations shall be installed under the supervision of a licensed electrician or plumber, as appropriate, and inspected and approved by an appropriate county or licensed inspector;

- (4) Adding language to require that disposal of wastewater from any building or structure constructed or installed pursuant to this measure shall comply with chapter 342D, Hawaii Revised Statutes;
- (5) Adding language to specify the types, dimensions, and specifications of buildings, structures, and appurtenances thereto that shall be included in each county's agricultural buildings and structures exemption list;
- (6) Specifying that if a county fails to establish an agricultural buildings and structures exemption list by January 1, 2013, the exemptions provided for in this measure shall constitute the county's exemption list;
- (7) Adding definitions for the terms "appurtenance" and "manufactured pre-engineered commercial building or structure";
- (8) Requiring the Department of the Attorney General to establish a task force to examine conflicts between state statutes, including this measure, county codes, and the interests of Hawaii's agriculture and aquaculture industries;
- (9) Requiring the task force to provide recommendations for potential solutions to any conflicts to the Governor no later than December 15, 2012;
- (10) Making this measure effective on July 1, 2012; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2646, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2646, S.D. 1, H.D. 2, C.D. 1.

Representatives Tsuji, Chang, Hashem, Tokioka and Riviere.  
Managers on the part of the House.

Senators Nishihara, Espero, Kouchi, Wakai and Slom.  
Managers on the part of the Senate.  
(Senators Espero and Slom were excused.)

#### **Conf. Com. Rep. 69-12 on S.B. No. 2746**

The purpose of this measure is to replace Act 290, Session Laws of Hawaii 1997, relating to electric vehicles, with updated provisions to address the present state of the development and use of electric vehicles.

Your Committee on Conference finds that electric vehicle deployment is in its infancy. By many reports, the total number of electric vehicles in use has doubled over the past year. However, this growth is infinitesimal in relation to what is truly needed to wean Hawaii off of imported oil. The ownership and use of electric vehicles needs to be expanded multifold in the future. Act 290 was likely ahead of its time but continues to be effective in incentivizing the use of electric vehicles.

Your Committee has amended this measure by:

- (1) Changing the sunset date to June 30, 2020; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2746, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2746, S.D. 1, H.D. 3, C.D. 1.

Representatives Souki, Coffman, Ichiyama, Kawakami and Fontaine.  
Managers on the part of the House.  
(Representatives Ichiyama and Kawakami were excused.)

Senators English, Gabbard and Espero.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 70-12 on S.B. No. 155**

The purpose of this measure is to regulate the profession of athletic training by requiring persons engaged in the practice of athletic training in this State to meet certain requirements and to register with the Department of Commerce and Consumer Affairs.

Your Committee on Conference finds that, as one of only three states that currently does not regulate the practice of athletic training, Hawaii is at risk of attracting individuals who are disqualified from practicing athletic training elsewhere due to misconduct or lack of qualifications. With no system in place to verify an individual's professional qualifications, background, and complaint history, unqualified or unscrupulous persons may be allowed to practice athletic training in this State without any meaningful oversight. This would be an especially troubling outcome in light of the fact that athletic

trainers often work with elementary and secondary school-aged children in public and private school-sponsored sports programs. The continued absence of regulation over the practice of athletic trainers puts the safety of consumers at risk and degrades the profession as a whole.

Your Committee on Conference has amended this measure by:

- (1) Adding a provision to specify that the registration system for athletic trainers established by this measure shall be repealed on June 30, 2018;
- (2) Authorizing the Department of Commerce and Consumer Affairs to employ necessary personnel without regard to chapter 76, Hawaii Revised Statutes, to assist with the implementation and continuing functions of the registration system established by this measure;
- (3) Establishing a license and renewal surcharge of \$100 to account for the initial cost of establishing and maintaining the registration system established by this measure;
- (4) Specifying an appropriation amount of \$40,000 from the compliance resolution fund;
- (5) Inserting an effective date of July 1, 2012; provided that the registration requirements created by this measure shall become effective on January 1, 2013; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 155, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 155, S.D. 2, H.D. 1, C.D. 1.

Representatives Herkes, Keith-Agaran, Tokioka, Chang and Marumoto.  
Managers on the part of the House.

Senators Baker, Espero and Taniguchi.  
Managers on the part of the Senate.

**Conf. Com. Rep. 71-12 on S.B. No. 2787**

The purpose of this measure is to support the stability and reliability of the Hawaii electric system by authorizing the Public Utilities Commission to:

- (1) Develop, adopt, monitor, and enforce electric reliability standards and interconnection requirements;
- (2) Contract for the services of a Hawaii Electricity Reliability Administrator to monitor and enforce standards, and perform other technical interconnection-related support functions; and
- (3) Establish procedures for interconnection on the Hawaii electric system and a surcharge to ensure the reliable operation of the Hawaii electricity system and overseeing of grid access on the system.

Your Committee on Conference finds that the reliability of Hawaii's electric system is a central issue the State must address to achieve the maximum penetration of renewable energy generation on its grid. Although Hawaii's electric utilities currently assume responsibility for maintaining system reliability, the rise in requests to connect to the grid with intermittent energy sources demands a more formalized and transparent interconnection process.

Your Committee on Conference further finds that the Public Utilities Commission is best positioned to undertake the responsibility of administering critical formal reliability standards to govern all segments of the electric power system. This measure provides the Public Utilities Commission with the necessary means to ensure that reliability standards and interconnection requirements are properly monitored, enforced, and funded.

Your Committee on Conference has amended this measure by inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2787, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2787, S.D. 2, H.D. 1, C.D. 1.

Representatives Coffman, Herkes, Kawakami, Tsuji and Thielen.  
Managers on the part of the House.  
(Representative Tsuji was excused.)

Senators Baker, Espero and Taniguchi.  
Managers on the part of the Senate.

**Conf. Com. Rep. 72-12 on S.B. No. 2825**

The purpose of this measure is to:

- (1) Authorize the Department of Health to allow limited health insurer access to the Hawaii Immunization Registry; and

- (2) Authorize the Hawaii Immunization Registry to store minimal demographic information for individuals who have elected to refuse inclusion in the Registry.

Your Committee on Conference finds that the Hawaii Immunization Registry provides a current, centralized immunization-related medical history. Allowing controlled health insurer access to the Registry's immunization reports will aid in monitoring and improving the health of the insurer's member population and may assist in the formulation of strategies to improve immunization rates and thus decrease the incidence of vaccine-preventable disease in the State. Further potential benefits include the generation of improvements in public health and state-provided vaccine programs.

Your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2825, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2825, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Herkes, Morikawa, M. Lee, Mizuno and Ching.  
Managers on the part of the House.  
(Representative Mizuno was excused.)

Senators Green, Hee and Baker.  
Managers on the part of the Senate.  
(Senator Hee was excused.)

**Conf. Com. Rep. 73-12 on S.B. No. 2056**

The purpose of this measure is to require a defendant's probation officer to provide the court information regarding the defendant's compliance or non-compliance with probation prior to the court determining whether to grant an early discharge from probation.

Your Committee on Conference finds that under existing law, the court may grant early discharge from probation without input from a defendant's probation officer regarding that defendant's compliance with probation terms. This measure serves as an additional tool for the courts to use in their assessment and determination of whether a defendant should be discharged from probation early.

Your Conference on Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2012; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2056, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2056, H.D. 2, C.D. 1.

Representatives Keith-Agaran, Har, Luke, Mizuno and Thielen.  
Managers on the part of the House.  
(Representatives Luke and Mizuno were excused.)

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 74-12 on S.B. No. 2001**

The purpose of this measure is to amend the Hawaii State Planning Act to include, as a policy of the State, promoting the development of indigenous renewable energy resources located on public trust land as an affordable and reliable source of firm power for Hawaii and to require consultation and public input from the Native Hawaiian community and general public when developing projects with public land trust lands.

Your Committee on Conference finds that renewable energy resources are assets of the public trust but have not been adequately recognized or developed by the State as such. Trust law requires the State, as trustee of these renewable energy assets, to ensure that there is a direct benefit for the beneficiaries of the public trust land who are Native Hawaiians and the public. Specifically, geothermal resources have been developed to generate electricity on the island of Hawaii for more than seventeen years. However, the development of geothermal resources has yet to create a real or direct benefit to the residents of the land from which the resources are sourced.

Your Committee on Conference has amended this measure by:

- (1) Substituting the reference to "indigenous renewable energy" with "indigenous geothermal energy"; and
- (2) Inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2001, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2001, S.D. 1, H.D. 2, C.D. 1.

Representatives Coffman, Chang, Hanohano, Kawakami, Nakashima, Yamashita and Thielen.  
Managers on the part of the House.  
(Representative Yamashita was excused.)

Senators Dela Cruz, Gabbard, Solomon and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 75-12 on S.B. No. 2763**

The purpose of this measure is to amend the Secure and Fair Enforcement for Mortgage Licensing Act, chapter 454F, Hawaii Revised Statutes, to reflect recent changes in federal law and adjust fees in consideration of new regulatory requirements.

Your Committee on Conference finds that mortgage loan originators offer or negotiate the terms of residential mortgage loans or accept applications for these loans. These professionals are licensed under the Secure and Fair Enforcement for Mortgage Licensing Act, which this measure amends to incorporate new federal requirements designed to strengthen consumer protections relating to mortgage loan origination.

Your Committee on Conference further finds that this measure establishes a one-time application fee for mortgage loan originators who are sole proprietors and exempts these individuals from annual license renewal fees. Although the Nationwide Mortgage Licensing System is not able to easily program special fees for states to charge for specialized licensees, such as sole proprietors, a fee adjustment may be possible if sole proprietors paid all required fees through the Nationwide Mortgage Licensing System then requested the State to reimburse any fees the Division of Financial Institutions chose to waive.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established a one-time application fee for mortgage loan originators who are sole proprietorships and would have exempted these individuals from annual license renewal fees; and instead adding language to require the Division of Financial Institutions to reimburse every mortgage loan originator company that consists of a non-exempt single individual who is engaged in the business of a mortgage loan originator as a sole proprietorship for fees paid for the mortgage loan originator initial application and annual license renewal fees;
- (2) Clarifying the application of the new definition of "housing finance agency" to nonprofit organizations;
- (3) Adding a definition of "Nationwide Mortgage Licensing System" to reflect that this entity is alternatively known as the "Nationwide Mortgage Licensing System and Registry";
- (4) Making conforming amendments to effectuate the reduction of the time limit, from six months to thirty days, for an applicant for licensure to demonstrate continued efforts to complete the licensing application;
- (5) Deleting language that would have increased the initial application fee by \$100 and the annual license renewal fee by \$50, with respect to the fees that a mortgage loan originator must pay to obtain and maintain a valid mortgage loan originator license;
- (6) Deleting language that would have increased by \$50 the fees a licensee must pay to the Insurance Commissioner for certain amendments to information provided to the Nationwide Mortgage Licensing System;
- (7) Inserting an effective date of July 1, 2012; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2763, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2763, S.D. 2, H.D. 2, C.D. 1.

Representatives Herkes, Choy, Tsuji and Riviere.  
Managers on the part of the House.

Senators Baker, Espero and Taniguchi.  
Managers on the part of the Senate.

**Conf. Com. Rep. 76-12 on S.B. No. 2540**

The purpose of this measure is to amend or repeal various sections of chapter 302A, Hawaii Revised Statutes ("HRS"), that:

- (1) Have already been accomplished and are no longer necessary to be codified in statute;
- (2) Impede rather than assist the Department of Education in meeting its core mission;
- (3) Fall under the purview of the Board of Education, such as policy and programmatic decisions;
- (4) Are already mandated by federal law and do not require codification in state statute; and
- (5) Are covered by another section of the HRS, Hawaii Administrative Rules, or Board of Education policy.

Your Committee on Conference finds that as a result of the constitutional amendment adopted in the 2010 general election, the Board of Education was required to transform from an elected board to an appointed board, with the appointments made by the Governor. This change presents a unique opportunity to review numerous sections of the HRS to determine if amending or reducing statutory restraints and requirements would assist the Board of Education and Department of Education in creating a more effective educational delivery system. This measure is consistent with S.C.R. No. 79 (2011), which requested that the Board of Education and Department of Education review applicable statutes to, in part, assist the Department of Education in meeting its core mission.

Your Committee on Conference further finds that the statutory revisions proposed by this measure do not diminish the role of the Legislature in overseeing the Department of Education and holding it accountable for the educational success of students, but rather place certain decision making authority in the best place possible.

In addition, your Committee on Conference notes that deleting outdated or duplicative sections of chapter 302A, HRS, does not in any way suggest that the Department of Education does not have proper legal authority to implement those programs or activities covered by those deleted sections. Rather, the Legislature is placing decision making authority over those certain programs and activities at the proper level, whether at the policy making level or the administrative level. Furthermore, your Committee on Conference urges the Department of Education to ensure that it has rules and policies in place to address the sections of chapter 302A, HRS, that are repealed by this measure.

Your Committee on Conference has amended this measure by:

- (1) Specifying that students may attend a school outside their service area, as determined by the Department of Education, when a geographic exception is requested and granted at the discretion of the Department or out-of-service-area attendance is mandated by the Department or federal law;
- (2) Inserting language to amend section 302A-1151.1, HRS, to:
  - (A) Specify that when the Department of Education considers closing a public school, it shall give reasonable consideration to making all or portions of the facilities of the public school available to charter schools, to pre-plus programs, or for any other purpose the Board of Education deems appropriate, rather than limit such use to charter schools;
  - (B) Repeal the language establishing a procedure for the selection of charter schools to use vacant school facilities; and
  - (C) Require the Department of Education to identify unused public school facilities that may be appropriate for charter schools, early learning programs, such as pre-plus programs, or any other purpose the Board of Education deems appropriate;
- (3) Inserting language to repeal various requirements under section 302A-1502.4, HRS, relating to the Hawaii 3R's school repair and maintenance fund;
- (4) Repealing section 302A-401.5, HRS, relating to the Hawaii teacher cadet program;
- (5) Repealing section 302A-1506.5, HRS, which requires the Department of Education to identify sites for early education;
- (6) Repealing section 302B-3.6, HRS, which sets forth the process by which charter schools may use vacant public school facilities;
- (7) Deleting language that requires any existing rule, ordinance, executive order, directive, or provision in a collective bargaining agreement in existence on the effective date of this measure that is inconsistent with this measure to be amended to conform with this measure;
- (8) Inserting a savings clause to clarify that nothing in this measure shall affect any rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date;
- (9) Making this measure effective upon approval; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2540, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2540, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, M. Lee, Belatti, Saiki and Johanson.  
Managers on the part of the House.  
(Representative Saiki was excused.)

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 77-12 on S.B. No. 2800**

The purpose of this measure is to add exemptions from child care licensing by the Department of Human Services for any kindergarten, school, or child care program licensed by the Charter School Review Panel, the Hawaii Council of Private Schools, or any federal agency and for child care programs conducted by counties.

Your Committee on Conference finds that as kindergartens, schools, or child care programs are already licensed by the Charter School Review



Panel, the Hawaii Council of Private Schools, federal agencies, or counties that administer them, there is no sufficient justification for the Department of Human Services to also license these kindergartens, schools, and child care programs.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 1, 2013.

Your Committee on Conference notes the Hawaii Association for the Education of Young Children's opposition to the measure, as amended, to the extent that it includes licensing exemptions for child care programs conducted by counties for children from birth through age five who receive child care subsidies. Your Committee on Conference requests the Department of Human Services to confer with the Hawaii Association for the Education of Young Children to address and make recommendations to allay the concerns regarding children who receive child care subsidies. Your Committee on Conference also requests the Department to work with the Hawaii Association of Independent Schools and Hawaii Council of Private Schools, who already license private child care programs, to ensure that the program the Association and the Council develops meets the Department's licensing standards and that the Association and the Council have the capacity to take over the Department's responsibilities should they become responsible for licensing these programs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2800, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2800, S.D. 1, H.D. 1, C.D. 1.

Representatives Mizuno, Takumi, Jordan, Belatti and Pine.  
Managers on the part of the House.  
(Representative Pine was excused.)

Senators Chun Oakland, Tokuda and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 78-12 on S.B. No. 2655**

The purpose of this measure is to:

- (1) Establish provisions for the sale of portable electronics insurance;
- (2) Require vendors to hold a limited lines license to sell or offer coverage under a policy;
- (3) Establish sanctions for violations;
- (4) Establish requirements for termination of insurance; and
- (5) Establish initial and renewal licensing fees in unspecified amounts.

Your Committee on Conference finds that there is currently no statutory regulation of the provision of portable electronics insurance. This measure establishes a regulatory framework that provides important consumer protections and meaningful disclosures.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that an insurer have the consent of the vendor and enrolled customer to terminate or otherwise change the terms and conditions of a policy of portable electronics insurance;
- (2) Deleting the requirement that if an insurer terminates or otherwise changes the terms and conditions of a policy of portable electronics insurance, the insurer shall pay to the enrolled customer at least ten percent of the monthly insurance policy premium paid by the enrolled customer;
- (3) Establishing fees of \$150 for an initial license and \$150 per year for the initial or renewal term;
- (4) Inserting an effective date of January 1, 2013; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2655, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2655, S.D. 2, H.D. 3, C.D. 1.

Representatives McKelvey, Herkes, Choy and Marumoto.  
Managers on the part of the House.

Senators Fukunaga, Baker and Wakai.  
Managers on the part of the Senate.

**Conf. Com. Rep. 79-12 on S.B. No. 2277**

The purpose of this measure is to make permanent the Department of Land and Natural Resources' authority to enter into safe harbor agreements and habitat conservation plans and issue incidental take licenses pursuant to chapter 195D, Hawaii Revised Statutes.

Your Committee on Conference finds that the Department of Land and Natural Resources has issued eight habitat conservation plans and six safe harbor agreements, which have helped restore certain populations of nene, montane-nesting seabirds, and Hawaiian hoary bats. Because the plans and agreements have proven effective, the department is seeking to finalize ten new habitat conservation plans and three new safe harbor agreements. However, your Committee on Conference also finds that the existing procedure for enforcing rules, habitat conservation plans, and safe harbor agreements and accompanying licenses is problematic. Unforeseen emergencies inevitably arise, and when they do, effective remedies must be available. Because enforcement of these mechanisms has proven problematic, your Committee on Conference finds that section 195D-27, Hawaii Revised Statutes, which establishes provisions for the administrative enforcement of rules, habitat conservation plans, and safe harbor agreements and accompanying licenses, should be repealed.

Your Committee on Conference has amended this measure by:

- (1) Repealing section 195D-27, Hawaii Revised Statutes;
- (2) Extending the Department of Land and Natural Resources' authority to issue safe harbor agreements, habitat conservation plans, and incidental take licenses through June 29, 2017, rather than permanently authorizing the department to issue safe harbor agreements, habitat conservation plans, and incidental take licenses; and
- (3) Inserting an effective date of upon approval; provided that section 2 of the measure shall take effect on June 30, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2277, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2277, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Keith-Agaran, Har, Ito, Nakashima and Riviere.  
Managers on the part of the House.

Senators Gabbard, Dela Cruz, Hee, Ihara and Slom.  
Managers on the part of the Senate.  
(Senators Hee and Slom were excused.)

#### **Conf. Com. Rep. 80-12 on S.B. No. 2810**

The purpose of this measure is to amend the definition of "employment" under the workers' compensation law, temporary disability insurance law, and the Prepaid Health Care Act by excluding from the definition certain domestic and day care services authorized by the Department of Human Services or provided through state-funded medical assistance to Medicaid-ineligible individuals by an individual in the employ of a recipient of social service payments.

Your Committee on Conference finds that this measure will provide valuable exemptions to the Department of Human Services, aged and disabled recipients of home- and community-based services, and recipients of state-funded home- and community-based services from having to provide workers' compensation, temporary disability insurance, and prepaid health care due to their receipt of these services.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2810, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2810, S.D. 1, H.D. 1, C.D. 1.

Representatives Mizuno, Rhoads, Jordan, Yamashita and Pine.  
Managers on the part of the House.  
(Representatives Yamashita and Pine were excused.)

Senators Chun Oakland, Hee, Ihara, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Shimabukuro was excused.)

#### **Conf. Com. Rep. 81-12 on S.B. No. 1382**

The purpose of this measure is to establish the Federal Higher Education Compliance and Educational Personnel Licensure and Certification Task Force (Task Force) to make recommendations to the Legislature regarding:

- (1) The State's compliance with pertinent federal laws to ensure that state post-secondary educational programs qualify for federal student loan programs and other federal funding; and
- (2) Whether the licensing or authorization of educational institutions and their administrators and instructors should be consolidated and tasked to a single state agency.

Your Committee on Conference finds that in October 2010, the United States Department of Education issued new regulations for programs authorized under Title IV of the Higher Education Act of 1965, as amended, to hold programs accountable for preparing students for gainful employment, protect students from misleading recruiting practices, ensure that only eligible students receive financial aid, and strengthen federal student aid programs at for-profit, non-profit, and public institutions. The regulations also include requirements for state authorization of institutions that offer educational programs beyond secondary education for purposes of federal program eligibility.

Your Committee on Conference further finds that the State was unable to satisfy all of the requirements relating to state authorization by the July 1, 2011, deadline. However, the United States Department of Education provided the opportunity for states and institutions to receive an extension to July 1, 2013, for certain regulations. In the meantime, it is the intent of your Committee on Conference that the State proactively seek solutions by determining what actions and changes are required for the State to come into compliance with the new regulations.

Your Committee on Conference has amended this measure by:

- (1) Amending the purpose section to more accurately reflect the intent of the Legislature;
- (2) Deleting all language in this measure relating to the Task Force;
- (3) Inserting language to require the Auditor, among other things, to examine the Higher Education Act of 1965, as amended, and regulations pursuant to that Act, and recommend the best available options to the State, including a regulatory framework, to ensure the State's compliance with provisions relating to the authorization of institutions that offer educational programs beyond secondary education;
- (4) Inserting language to require the Auditor to submit a report of the analyses performed pursuant to this measure to the Legislature no later than twenty days prior to the convening of the Regular Session of 2013; and
- (5) Making this measure effective upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1382, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1382, S.D. 2, H.D. 1, C.D. 1.

Representatives Nishimoto, Takumi, Yamashita, Tokioka, Belatti, Nakashima and Johanson.  
Managers on the part of the House.  
(Representative Yamashita was excused.)

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 82-12 on S.B. No. 3008**

The purpose of this measure is to allow impoverished family court litigants an alternative to serving notice by publication, by allowing the posting of pleadings at the courthouse. Specifically, this measure allows family court plaintiffs or petitioners who are unable to afford to serve notice by publication to serve notice to a defendant or respondent by, after a due and diligent search for the defendant or respondent, mailing pleadings and process to the defendant or respondent and to the defendant's or respondent's closest known relative, and posting pleadings and process at the courthouse with the permission of the family court.

Your Committee on Conference finds that the rates to serve notice by publication in a daily newspaper of general circulation have increased dramatically over the past several years. This rate increase has made it difficult for impoverished litigants to find the funds necessary to cover the publication costs for legal notices. This measure will alleviate this financial burden on impoverished litigants and increase access to family court processes.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date to September 1, 2012; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3008, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3008, H.D. 3, C.D. 1.

Representatives Mizuno, Keith-Agaran, Jordan, Ito and Pine.  
Managers on the part of the House.

Senators Hee, Kidani and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 83-12 on S.B. No. 243**

The purpose of this measure is to:

- (1) Establish the Hawaii Western Interstate Commission for Higher Education (Hawaii WICHE);
- (2) Allow Hawaii WICHE to establish a repayment policy for students who receive financial support from certain funds appropriated for the Hawaii WICHE professional student exchange program; and
- (3) Establish a professional student exchange program special fund.

Your Committee on Conference finds that chapter 304A, part VII, subpart D, Hawaii Revised Statutes, currently provides for the appointment of state commissioners to the Western Interstate Commission for Higher Education (WICHE) but does not allow the Hawaii commissioners to independently set conditions on students who participate in the professional student exchange program (PSEP). This measure will establish and define the Hawaii WICHE and give it the necessary authority to develop a repayment policy for PSEP students who receive financial support from PSEP.

Currently five WICHE states have return requirements for students who benefit from participation in the PSEP. Studies find that states with these requirements have an average rate of return of seventy-four percent and states without return requirements have an average rate of return of thirty-nine percent. Your Committee on Conference believes that this measure will increase the likelihood of PSEP students returning to Hawaii.

In 2010, the State spent \$1,064,465 to subsidize the cost of professional education for Hawaii students in fields of study unavailable at local universities but in high demand in the State. The Hawaii WICHE commissioners should have the option of establishing return requirements to best meet the needs of the students and the State.

Your Committee on Conference has amended this measure by making it effective on July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 243, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 243, S.D. 2, H.D. 1, C.D. 1.

Representatives Nishimoto, Tokioka, Nakashima, Saiki and Johanson.  
Managers on the part of the House.  
(Representative Saiki was excused.)

Senators Tokuda, Ige and Kidani.  
Managers on the part of the Senate.

**Conf. Com. Rep. 84-12 on S.B. No. 2773**

The purpose of this measure is to update chapter 312, Hawaii Revised Statutes, to more accurately reflect the duties and responsibilities of the Board of Education, Hawaii State Public Library System, and State Librarian with respect to the Hawaii State Public Library System.

Your Committee on Conference finds that despite long-standing Board of Education and Hawaii State Public Library System practices, the Board of Education should play a more active role in overseeing the Hawaii State Public Library System.

As such, your Committee on Conference has amended this measure by:

- (1) Deleting the purpose section; and
- (2) Deleting the language in this measure that would have given the State Librarian certain responsibilities, duties, and powers currently held by the Board of Education pursuant to sections 312-1, 312-2, 312-4.6, 312-5, and 312-21, Hawaii Revised Statutes, but retaining language that authorizes the State Librarian to appoint one secretary and codifying that language under section 312-2.1, Hawaii Revised Statutes.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2773, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2773, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, M. Lee, Belatti, Takai and Johanson.  
Managers on the part of the House.

Senators Tokuda, Ige, Kidani and Ryan.  
Managers on the part of the Senate.

**Conf. Com. Rep. 85-12 on S.B. No. 240**

The purpose of this measure is to:

- (1) Require one hundred percent of the physician workforce assessment fees in the John A. Burns school of medicine special fund to be used to address communication and implementation of federal health care reform and law, support and develop the medical home model, and support increases in physician reimbursements;
- (2) Extend the physician workforce assessment fee to July 1, 2015; and
- (3) Require the John A. Burns School of Medicine to prepare an annual, rather than biennial, report to the Legislature assessing the physician workforce.

Your Committee on Conference finds that the physician workforce assessment established by Act 18, Special Session Laws of Hawaii 2009, reports a current shortage of 600 physicians in the State and an impending shortage of 1,200 physicians by 2020. The shortage of physicians is compounded by the fact that Hawaii's physician workforce is the fifth oldest of all the states and many physicians will soon retire. In addition, Hawaii fails to attract young physicians to practice in the State.

Your Committee on Conference further finds that the recruitment and retention of physicians to serve the rural and medically underserved areas of the State are critical. The continuation of the physician workforce assessment project and the formation and execution of tangible solutions are essential if the State is to adequately address the ongoing need for a strong physician workforce.

Your Committee on Conference has amended this measure by:

- (1) Extending the physician workforce assessment fee until June 30, 2017;
- (2) Requiring that no less than fifty percent of the total amount of assessment fees deposited into the John A. Burns school of medicine special fund be used for purposes identified by the Hawaii Medical Education Council to support physician workforce assessment and planning, including the recruitment and retention of physicians, for rural and medically underserved areas of the State;
- (3) Increasing the amount from the John A. Burns school of medicine special fund that may be expended annually from \$150,000 to \$245,000; and
- (4) Making this measure effective on June 29, 2012; provided that the requirements described in paragraphs (2) and (3) above shall be repealed on June 30, 2017.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 240, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 240, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, M. Lee, Morikawa and Pine.  
Managers on the part of the House.

Senators Tokuda, Green and Ige.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 86-12 on S.B. No. 2115**

The purpose of this measure is to adopt the recommendations of the Charter School Governance, Accountability, and Authority Task Force (Task Force) by repealing chapter 302B, Hawaii Revised Statutes, and establishing a new charter school law that creates a solid governance structure for Hawaii's charter school system with clear lines of authority and accountability that will foster improved student outcomes.

Your Committee on Conference finds that the Task Force was established pursuant to Act 130, Session Laws of Hawaii 2011, in response to questions and concerns raised by policy makers and advocates alike about the integrity of Hawaii's charter school governance structure and the overall strength of Hawaii's laws in establishing clear lines of authority that ensure accountability of the charter school system.

Specifically, the goal of the Task Force was to provide clarity to the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's charter school system, including the Board of Education, Department of Education, Charter School Administrative Office, Charter School Review Panel, and local school boards.

In conducting its work, the Task Force looked at various sections of the Charter School Model Law put forth by the National Alliance for Public Charter Schools and used the model law as a guide in compiling its recommendations to the Legislature. The Task Force was also fortunate to have the assistance and input of the National Association of Charter School Authorizers and the National Governors Association.

After in-depth examination and discussion, the Task Force concluded its work and issued its report and recommendations to the Legislature. This measure encapsulates the Task Force's recommendations.

Your Committee on Conference notes that Hawaii's charter schools are ranked each year by the National Alliance for Public Charter Schools (NAPCS). Last year, Hawaii's ranking fell from thirty-fourth place to thirty-fifth place, out of a total of forty-two states. NAPCS reviewed this measure and testified that if this measure passes the Legislature, Hawaii's rank would move up fourteen spots to be the state ranked twenty-first.

Your Committee on Conference further finds that this measure is a major departure from the current charter school law and believes that this measure will strengthen Hawaii's charter school system and will move Hawaii's charter schools toward greater student outcomes.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "authorizer" to clarify that "authorizer" means an entity established under this measure with chartering authority;
- (2) Inserting a definition for the term "charter" to mean a charter application as approved by an authorizer;
- (3) Renaming the term "application" as "charter application" for purposes of clarity and consistency;
- (4) Clarifying that the Board of Education (Board) shall not approve any application for chartering authority until July 1, 2014, or until the Board adopts administrative rules, whichever is later;
- (5) Inserting language requiring the Board to execute an authorizing contract with an eligible authorizing entity within sixty days of deciding to grant chartering authority to the entity;
- (6) Clarifying that an authorizer shall not provide technical support to a charter school it authorizes in cases where the technical support

will directly and substantially impact an authorizer's decision related to the authorization, renewal, revocation, or nonrenewal of the charter school; provided that this prohibition shall not apply to technical support that an authorizer is required to provide to a charter school pursuant to federal law;

- (7) Removing the requirement that an authorizer provide charter schools with an itemized accounting of the actual cost of services purchased from the authorizer by the charter school;
- (8) Removing language specifying the procedures for authorizers and charter schools to follow when a dispute arises as to charges for services purchased from an authorizer by a charter school;
- (9) Removing language specifying the deadline by which the Board must communicate to authorizers the requirements for the format, content, and submission of an annual report;
- (10) Clarifying that in selecting members of charter school governing boards, consideration shall be given to persons possessing strong financial and academic management and oversight abilities and human resource and fundraising experience;
- (11) Clarifying that all charter school employees and members of governing boards shall be subject to the Ethics Code, chapter 84, Hawaii Revised Statutes;
- (12) Inserting, as a requirement for certain funding eligibility for conversion charter schools managed and operated by nonprofit organizations, a minimum annual contribution of \$1 per pupil for every \$4 per pupil allocated by the Department of Budget and Finance for the operation of the conversion charter school;
- (13) Inserting figures to specify that the maximum total required per pupil contribution that a nonprofit organization that manages a conversion charter school shall be required to pay is \$1,650 for school years 2012-2013 through 2015-2016, and \$1,815 for school years 2016-2017 through 2020-2021;
- (14) Clarifying that an authorizer shall be responsible for managing, rather than collecting, analyzing, and reporting, all data from each charter school it oversees;
- (15) Clarifying that an authorizer shall require each charter school it oversees to submit an annual report, which shall include the status of the charter school's compliance with annual performance targets, as determined by its charter contract;
- (16) Inserting a deadline of September 1 by which an authorizer shall issue a charter school performance report and charter contract renewal application guidance to any charter school whose charter will expire the following year;
- (17) Specifying that charter schools have thirty days to respond to the authorizer's performance report;
- (18) Inserting a deadline of March 1 by which the governing board of a charter school shall be required to submit a charter renewal application to its authorizer;
- (19) Specifying that an authorizer must decide whether or not to renew a charter within forty-five days of the filing of a renewal application;
- (20) Adding language to clarify that the charter revocation and non-renewal process shall allow charter holders access to representation by counsel, subject to the requirements of section 28-8.3, Hawaii Revised Statutes;
- (21) Specifying that an authorizer shall report its action taken to renew, not renew, or revoke a charter to the Board within fifteen days of taking action;
- (22) Adding language to require that in the event of a public charter school closure for any reason, if the public charter school received an appropriation for capital improvements to its facilities, the charter school or its authorizer shall negotiate with the expending agency for a lump sum or installment repayment to the State of the amounts appropriated, and requiring amounts received from the repayment to be deposited into the general fund;
- (23) Clarifying that in the event of a charter school's closure, other charter schools shall have the right of first refusal for the closed charter school's facilities if the facilities are owned by the State;
- (24) Adding language to authorize the Board to adopt administrative rules to govern charter transfers among authorizers;
- (25) Inserting a deadline of twenty days prior to the convening of each regular session of the Legislature by which the Board's annual report to the Governor, Legislature, and public shall be submitted;
- (26) Adding language to require that the Board's annual report shall include a discussion of all Board policies adopted in the previous year, including a detailed explanation as to whether each policy is or is not applicable to charter schools;
- (27) Changing the title of section 25 of the new charter school law to more accurately reflect the contents of the section;
- (28) Clarifying that charter schools and their employees, the State Public Charter School Commission (Commission) and its employees, and governing boards and their members shall be subject to the Ethics Code, chapter 84, Hawaii Revised Statutes;
- (29) Requiring charter schools to reimburse the Department of Education for the actual costs of administrative services rendered by the Department related to federal grants, subsidies, and supplemental grants in an amount not to exceed six percent of the charter school's

- federal grants, subsidies, or supplemental grants, whichever is appropriate;
- (30) Clarifying that no charter school may assess tuition;
  - (31) Specifying that the maximum amount the Charter School Administrative Office may withhold for operational expenses is two percent of the annual charter school general fund allocation;
  - (32) Clarifying that the salaries of the Charter School Administrative Office's Executive Director and staff shall be set by the Commission in accordance with chapter 89C, Hawaii Revised Statutes, rather than upon the recommendations of charter schools within the State, and with applicable law;
  - (33) Adding language to clarify that the Charter School Administrative Office shall serve as the designated staff of the Commission;
  - (34) Inserting language to make conforming amendments to section 302A-1302, Hawaii Revised Statutes, to require that beginning with fiscal year 2012-2013, and every year thereafter, each authorizer shall distribute the allocations due to each school it authorizes directly to the charter school;
  - (35) Adding language to require that all rules, policies, procedures, guidelines, and other material adopted or developed by the Board to implement provisions of the Hawaii Revised Statutes that are made applicable to public charter schools prior to the effective date of this measure, remain in full force and effect until amended or repealed by the Board pursuant to chapter 91, Hawaii Revised Statutes;
  - (36) Making this measure effective upon its approval; and
  - (37) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2115, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2115, S.D. 2, H.D. 2, C.D. 1.

Representatives Belatti, Rhoads, Yamashita, Takumi and Johanson.  
Managers on the part of the House.

Senators Tokuda, Ige, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 87-12 on S.B. No. 2766**

The purpose of this measure is to update provisions in the Insurance Code relating to the regulation and administrative oversight of mutual benefit societies, fraternal benefit societies, and health maintenance organizations.

Your Committee on Conference finds that this measure clarifies the licensing and regulation process for mutual benefit societies, fraternal benefit societies, and health maintenance organizations by removing or revising certain provisions in the Insurance Code. This measure also establishes new fees to be paid by mutual benefit societies for the issuance, application, and renewal of a certificate of authority and the issuance of a certificate of registration. Presently, mutual benefit societies in the State pay no fees. Establishing these fees will promote parity between mutual benefit societies and the laws governing traditional insurance companies.

Although this measure also proposes to increase other existing fees associated with health maintenance organizations and fraternal benefit societies, your Committee on Conference notes that this measure's primary intent is to update the laws governing mutual benefit societies, fraternal benefit societies, and health maintenance organizations. Therefore, amendments to this measure are necessary.

Accordingly, your Committee on Conference has amended this measure by:

- (1) Specifying the following fees to be paid by mutual benefit societies and collected by the Insurance Commissioner:
  - (A) \$150 for issuance of a certificate of authority;
  - (B) \$150 for filing of an application and documents required for issuance of a certificate of registration;
  - (C) \$150 for issuance of a certificate of registration; and
  - (D) \$150 for renewal of a certificate of authority;
- (2) Specifying a penalty of fifty percent of the fee for the renewal of a certificate of authority if the fee is not paid by a mutual benefit society before or on the renewal date;
- (3) Reverting to the existing statutory fee of \$7.50 for the filing of fraternal benefit societies' annual financial statements, rather than amending the fee;
- (4) Reverting to the existing statutory fee of \$7.50 for the annual licensing or renewal fee for a fraternal benefit society, rather than amending the fee;
- (5) Reverting to the following existing statutory fees to be paid by health maintenance organizations, rather than amending the fees:

- (A) \$600 for filing an application for a certificate of authority or an amendment to a certificate of authority; and
- (B) \$400 per year for renewal of a certificate of authority;
- (6) Inserting an effective date of July 1, 2012; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2766, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2766, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Herkes, Morikawa, Mizuno and Pine.  
Managers on the part of the House.  
(Representative Mizuno was excused.)

Senators Baker, Espero, Kouchi, Taniguchi and Slom.  
Managers on the part of the Senate.  
(Senator Taniguchi was excused.)

**Conf. Com. Rep. 88-12 on S.B. No. 2742**

The purpose of this measure is to change the composition of the Hawaii Community Development Authority (HCDA), decrease the membership of HCDA to nine voting members for each established district, and allow HCDA to lease all or a portion of the real or personal property constituting a project in the Kakaako Community Development District, without recourse to public auction or public notice for sealed bids.

Your Committee on Conference finds that the HCDA has had difficulty achieving quorum. This measure amends the membership to ensure a timely decision making process. Furthermore, your Committee on Conference finds that the HCDA is tasked to implement long lasting change in the Kakaako Community Development District. However, the definition for a "redevelopment project" states that the commercial use of a redevelopment project may only be incidental in nature. Accordingly, your Committee on Conference finds it necessary to provide greater flexibility to the HCDA.

Your Committee on Conference has amended this measure by:

- (1) Prohibiting the small business representatives on HCDA from voting on matters concerning Heeiea Community Development District;
- (2) Permitting county members on HCDA to vote on and be considered in determining quorum and majority only on issues not relating to the Heeiea Community Development District;
- (3) Requiring the Governor to appoint three additional voting members to the HCDA to represent the Heeiea Community Development District; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2742, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2742, S.D. 1, H.D. 2, C.D. 1.

Representatives Chang, Har, Awana, Brower, Ito, Rhoads and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Fukunaga, Galuteria, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Fukunaga was excused.)

**Conf. Com. Rep. 89-12 on S.B. No. 2238**

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers for certain actions that may result in a Department of Taxation action for violations of tax laws;
- (2) Prohibit penalties from being added to tax underpayments of misstatements and erroneous claims for refund or credit of amounts on which certain other penalties are already imposed;
- (3) Require that nonprofit organizations receive notice before denial of a general excise tax benefit; and
- (4) Limit liability of persons having control of certain amounts held in trust for nonprofit organizations.

Your Committee on Conference finds that the prohibitions on additional penalties in this measure have been incorporated in another measure, and your Committee on Conference has several concerns regarding the proposed whistleblower language. Your Committee on Conference further finds that nonprofit organization provisions in this measure address problems that arose following the enactment of Act 155, Session Laws of Hawaii 2010.



Your Committee on Conference has amended this measure accordingly, by:

- (1) Deleting the proposed language on monetary awards for whistleblowers;
- (2) Deleting the proposed language regarding the prohibitions on additional penalties for tax underpayments of misstatements and erroneous claims for refund or credit of amounts on which certain other penalties are already imposed;
- (3) Amending to the definition of "nonprofit organization" in section 237-41.5, Hawaii Revised Statutes;
- (4) Inserting an effective date of July 1, 2012; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2238, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2238, S.D. 1, H.D. 2, C.D. 1.

Representatives McKelvey, Choy, Tsuji and Marumoto.  
Managers on the part of the House.  
(Representative Marumoto was excused.)

Senators Fukunaga, Ige and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 90-12 on S.B. No. 2383**

The purpose of this measure is to support health care services by extending the authorization to issue special purpose revenue bonds to assist The Queen's Health Systems with the renovation and expansion of its health care facilities to June 30, 2018.

Your Committee on Conference finds that this measure will enable The Queen's Health Systems to renovate or construct new health care facilities, acquire new equipment and assets, and install new technology in order to provide an improved level of vital health care services to the State.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2013, to comply with section 39A-37, Hawaii Revised Statutes, which establishes a five-year bond authorization limit.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2383, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2383, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Morikawa and Ching.  
Managers on the part of the House.

Senators Green, Chun Oakland and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 91-12 on S.B. No. 2797**

The purpose of this measure is to make permanent the provisions of Act 205, Session Laws of Hawaii 2010, that require an individual insured under QUEST, QUEST Expanded Access, or a fee-for-service program administered by the Department of Human Services to make two unsuccessful attempts at treatment with generic psychotropic medications before the Department of Human Services may cover a brand-name medication for a new prescription.

Your Committee on Conference finds that increasing numbers of people require treatment for mental health issues and that the cost of prescription psychotropic medications has increased substantially. Your Committee on Conference also finds that the use or attempt to use comparatively effective generic medications allows for cost-saving measures while preserving access to necessary treatment.

Your Committee on Conference has amended this measure by changing the effective date to June 29, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2797, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2797, S.D. 1, H.D. 1, C.D. 1.

Representatives Mizuno, Yamane, Jordan, Morikawa and Pine.  
Managers on the part of the House.  
(Representative Jordan was excused.)

Senators Green, Chun Oakland, Ryan and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 92-12 on S.B. No. 2816**

The purpose of this measure is to permit the Director of Health to adopt rules to provide that full accreditation by the Joint Commission on Accreditation of Healthcare Organizations demonstrates a hospital's compliance with all state-mandated licensing inspections for the duration of the accreditation.

Your Committee on Conference finds that accreditation and certification by the Joint Commission on Accreditation of Healthcare Organizations is a nationally recognized symbol of quality that reflects an organization's commitment to meeting advanced performance standards. This organization's accreditation survey is generally regarded as more thorough than a state's licensing survey, as the Joint Commission on Accreditation of Healthcare Organizations' standards are more regularly revised and updated to reflect the most current information, knowledge, and best practices regarding safe, effective, and quality care. Your Committee on Conference also finds that recognizing the Joint Commission on Accreditation of Healthcare Organizations' accreditation will allow staff and resources to be redeployed to attend to hospitals and health care facilities that do not have national accreditation.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2816, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2816, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Morikawa, M. Lee and Ward.  
Managers on the part of the House.  
(Representative Ward was excused.)

Senators Green, Baker, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Espero was excused.)

**Conf. Com. Rep. 93-12 on S.B. No. 2821**

The purpose of this measure is to reduce the incidence of preventable deaths to persons with developmental or intellectual disabilities by allowing the Department of Health to conduct multidisciplinary and multiagency mortality reviews of the death of such persons and authorizing the disclosure of information relevant to the review while mandating confidentiality for certain information obtained.

Your Committee on Conference finds that efforts to identify and address issues of care that are related to the death of an individual with a developmental or intellectual disability are critical to reducing preventable deaths.

Your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2821, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2821, H.D. 3, C.D. 1.

Representatives Yamane, Rhoads, Morikawa, Mizuno and Ching.  
Managers on the part of the House.  
(Representative Mizuno was excused.)

Senators Green, Chun Oakland, Nishihara and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 94-12 on S.B. No. 2833**

The purpose of this measure is to exempt domestic in-home and community-based services provided through state-funded medical assistance to Medicaid-ineligible individuals with developmental and intellectual disabilities from the Hawaii Prepaid Health Care Act and laws relating to unemployment insurance, workers' compensation, and temporary disability insurance.

Your Committee on Conference finds that this measure will allow individuals with developmental or intellectual disabilities greater access to needed services and increased flexibility in obtaining such services.

Your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2833, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2833, S.D. 1, H.D. 2, C.D. 1.

Representatives Mizuno, Rhoads, Jordan, Yamashita and Pine.  
Managers on the part of the House.  
(Representative Jordan was excused.)

Senators Green, Hee, Chun Oakland and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 95-12 on S.B. No. 3006**

The purpose of this measure is to establish a task force to study ways to prevent or control the problem of abandoned tires that litter the State.

Your Committee on Conference finds that the problem of illegal tire dumping is particularly evident in rural or isolated areas. Although organized cleanups may effectively clear the land, the results are often temporary, and refuse tires simply pile up once more. Consequently, your Committee on Conference finds that the generation of new and innovative ideas to address this problem is of critical importance.

Your Committee on Conference has amended this measure by:

- (1) Adding representatives from the Naval Facilities Engineering Command and Ka Wai Ola O Waianae to the membership of the task force; and
- (2) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3006, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3006, S.D. 2, H.D. 2, C.D. 1.

Representatives Coffman, Kawakami, Awana, Jordan and Thielen.  
Managers on the part of the House.

Senators Green, Gabbard, Chun Oakland, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senators Chun Oakland and Slom were excused.)

**Conf. Com. Rep. 96-12 on S.B. No. 2737**

The purpose of this measure is to:

- (1) Authorize the use of interactive conference technology to increase the ability of members of state and county boards and commissions and the public to participate in or attend board meetings; and
- (2) Clarify the requirements regarding the availability of visual aids where audio-only interactive conference technology is being used.

Your Committee on Conference finds that this measure will reduce the instances in which a board is unable to conduct business and the public is foreclosed from participating in government for lack of a quorum. As volunteers, most members of state and county boards and commissions have obligations that from time to time prevent them from attending a board meeting. More often, however, travel time to and from a board meeting is what keeps them from attending a meeting. Your Committee on Conference finds that this measure will allow board members to participate in their boards' meetings from locations closer to their homes, offices, or other locations.

Your Committee on Conference has amended this measure by:

- (1) Authorizing a board member with a disability that limits or impairs the member's ability to physically attend the meeting to participate in a board meeting from a location not accessible to the public; provided that the member with a disability is connected to other members of the board and the public by both visual and audio means, and the member identifies where the member is located and who, if anyone, is present at that location with the member;
- (2) Inserting an effective date of July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2737, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2737, S.D. 1, H.D. 2, C.D. 1.

Representatives Keith-Agaran, Tokioka, Tsuji and Thielen.  
Managers on the part of the House.

Senators Fukunaga, Hee and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 97-12 on S.B. No. 2335**

The purpose of this measure is to require the counties to concurrently process subdivision and special management area use permits under certain conditions to ensure that a special management area use permit is processed before final subdivision approval.

Your Committee on Conference finds that work on projects has been delayed or stalled due to special management area permitting requirements. There is a growing backlog on projects as a result of increasing amounts of minor construction projects and a shortage of county personnel in planning offices. This measure would expedite the process for the issuance of a special management area use permit and ensure the permit before final subdivision approval.

Your Committee on Conference has amended this measure by inserting an effective date of upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2335, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2335, H.D. 2, C.D. 1.

Representatives Chang, Coffman, Har, Kawakami and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Solomon, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 98-12 on S.B. No. 2318**

The purpose of this measure is to:

- (1) Adopt the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act to ensure that only one state has jurisdiction in a guardianship and protective proceeding at any one time;
- (2) Adopt guidelines to specify which court has jurisdiction to appoint a guardian or conservator for an incapacitated adult; and
- (3) Prioritize which state may proceed with a petition in an adult guardianship or protective proceeding in the case of simultaneous proceedings in more than one state.

Your Committee on Conference finds that due to increasing population mobility, cases involving simultaneous and conflicting jurisdiction over guardianship are increasing. Even when all parties are in agreement, steps such as transferring a guardianship to another state can require that the parties re-initiate the process of establishing guardianship in the second state.

Your Committee on Conference also finds this measure provides uniformity and reduces conflict among the states and that to date, thirty jurisdictions including the District of Columbia have adopted the Uniform Adult Guardianship and Protective Proceedings Jurisdiction Act, and eight others including Hawaii are considering adopting it this year.

Your Committee on Conference has amended this measure by changing the effective date to September 1, 2014.

Your Committee on Conference notes the Judiciary's general concern with regard to the potential unintended consequences of this measure, such as families and guardians being subjected to increased complexity and procedure and possible conflicting definitions between federal and state law. Therefore, your Committee on Conference urges the Chief Justice to establish, if deemed appropriate by the Chief Justice, a working group within the Judiciary to facilitate the implementation of this measure. If the working group is established, your Committee on Conference respectfully requests the Chief Justice to share a report of the working group's activities with the Legislature.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2318, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2318, S.D. 1, H.D. 2, C.D. 1.

Representatives Mizuno, Rhoads, Jordan, Cabanilla and Pine.  
Managers on the part of the House.  
(Representative Pine was excused.)

Senators Chun Oakland, Hee, Ihara and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 99-12 on S.B. No. 2813**

The purpose of this measure is to authorize the use of monies in the disability and communication access board special fund to defray, rather than cover, costs of administering chapter 348F, Hawaii Revised Statutes, and directing all monies collected as application fees or fees for continuing education units for the credentialing of interpreters to be deposited into the special fund.

Your Committee on Conference finds that with the decline of available general funds, the Disability and Communication Access Board is exploring other forms of revenue generation. This measure will broaden the funding sources for the disability and communication access board special fund, giving the Board additional means to defray costs of administering chapter 348F, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2813, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2813, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, M. Lee, Morikawa, Tokioka and Ching.  
Managers on the part of the House.  
(Representative Tokioka was excused.)

Senators Chun Oakland, Ige and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 100-12 on S.B. No. 596**

The purpose of this measure is to increase access by medically underserved resident populations to culturally appropriate primary health care services by appropriating funds to implement and sustain the rural interdisciplinary residency program at Hilo Medical Center.

Your Committee on Conference finds that Hawaii faces a primary health care provider shortage. The increasing costs of a medical education require physicians, physician assistants, and nurse practitioners to seek out high-salary jobs in order to repay their student loans. Unfortunately, rural areas are often unable to provide a competitive salary for such health care providers, resulting in the critical provider shortage that this measure seeks to address.

Your Committee on Conference has amended this measure by:

- (1) Amending the purpose section;
- (2) Inserting language to:
  - (A) Establish the Hawaii health corps program, Hawaii rural health care provider loan repayment program, and the Hawaii health corps revolving fund;
  - (B) Require the University of Hawaii at Manoa John A. Burns School of Medicine and University of Hawaii at Manoa School of Nursing and Dental Hygiene to report to the Legislature on the status of the Hawaii health corps program; and
  - (C) Require the implementation of the Hawaii health corps program by June 30, 2013;
- (3) Deleting the appropriation that would have been used to implement and sustain the rural interdisciplinary residency program at Hilo Medical Center; and
- (4) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 596, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 596, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamane, Nishimoto, Morikawa, Nakashima, Saiki and Pine.  
Managers on the part of the House.  
(Representatives Nakashima and Saiki were excused.)

Senators Green, Tokuda and Ige.  
Managers on the part of the Senate.  
(Senator Tokuda was excused.)

**Conf. Com. Rep. 101-12 on S.B. No. 1083**

The purpose of this measure is to appropriate funds for collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative for collective bargaining unit 7 and state officers and employees excluded from collective bargaining but belonging to the same compensation plans as those officers and employees within bargaining unit 7.

Your Committee on Conference finds that the University of Hawaii Professional Assembly and the University of Hawaii have reached an understanding relating to the "favored nations" provision on Hawaii employer-union health benefits trust fund contributions in the agreement concerning bargaining unit 7.

Accordingly, your Committee on Conference has amended this measure by adopting the language submitted by the Governor in Governor's Message No. 243 to:

- (1) Appropriate funds to the Hawaii employer-union healthy benefits trust fund (EUTF) necessary for fiscal biennium 2012-2013 to fund the EUTF costs contained in the supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining unit 7 as well as state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees of collective bargaining unit 7;
- (2) Delete language that appropriates unspecified funds necessary for fiscal biennium 2011-2013 to satisfy salary increases and other cost adjustments in the agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining unit 7 for state officers and employees in bargaining unit 7 and their excluded counterparts;
- (3) Delete the severability clause;
- (4) Change the effective date to upon approval; and
- (5) Make technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1083, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1083, S.D. 1, H.D. 1, C.D. 1.

Representatives Rhoads, Oshiro and Ward.  
Managers on the part of the House.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 102-12 on S.B. No. 2158**

The purpose of this measure is to authorize law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed, including nights, weekends, and holidays, to facilitate the prompt release of the detainee after bail is accepted.

Your Committee finds that if a person is taken into custody during non-regular business hours, such as during the night, weekend, or holiday, that person is not able to post bail because the courts are closed, even if the person possesses the bail amount at that time. Individuals are required to pay their bail amount at the courts only during regular business hours. Thus, even if a person who is detained Friday night possesses the bail amount on Friday, that person will remain detained until Monday morning, when the court opens. This measure ensures the right to bail at all hours, not just during normal business hours.

Your Committee on Conference has amended this measure by:

- (1) Requiring rather than authorizing law enforcement agencies to accept cash bail, certified copies of pre-filed bail bonds, and original bail bonds when the court is closed; and
- (2) Changing the effective date to January 1, 2013, and adding a sunset date of January 1, 2016.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2158, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2158, H.D. 1, C.D. 1.

Representatives Keith-Agaran, Har, Ito, Tokioka and Thielen.  
Managers on the part of the House.  
(Representatives Ito and Tokioka were excused.)

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 103-12 on S.B. No. 2323**

The purpose of this measure is to appropriate funds for collective bargaining cost items in the agreement negotiated with the exclusive bargaining representative for registered professional nurses under bargaining unit 9 and state officers and employees excluded from collective bargaining but belonging to the same compensation plans as those officers and employees within bargaining unit 9.

Your Committee on Conference finds that the Hawaii Government Employees Association and the Department of Education have reached an understanding relating to "favored nations" provisions in agreements concerning bargaining units 2, 3, 4, 6, and 13.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and adopting the language submitted by the Governor in Governor's Message No. 240 to:

- (1) Appropriate funds necessary for fiscal biennium 2011-2013 to satisfy the salary increases and other cost adjustments relating to the "favored nations" provisions in the supplemental agreements negotiated between the Department of Education and the exclusive bargaining representative of collective bargaining units 2, 3, 4, 6, and 13 for employees of the Department of Education, including the Hawaii State Public Library System, and their excluded counterparts;
- (2) Appropriate funds to the Hawaii employer-union health benefits trust fund (EUTF) necessary for fiscal biennium 2012-2013 to fund the EUTF costs contained in the supplemental agreements negotiated between the Department of Education and the exclusive bargaining representative of collective bargaining unit 6 as well as state officers and employees excluded from collective bargaining who belong to the same compensation plans as those officers and employees of collective bargaining unit 6; and
- (3) Make this measure apply retroactively to July 1, 2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2323, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2323, S.D. 1, H.D. 1, C.D. 1.

Representatives Rhoads, Oshiro and Ward.  
Managers on the part of the House.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 104-12 on S.B. No. 2324**

The purpose of this measure is to provide a vehicle to fund all collective bargaining cost items in the agreements negotiated with the exclusive bargaining representative of public employees in bargaining units 2, 3, 4, 6, 8, and 13 and their excluded counterparts for fiscal year 2012-2013.

Your Committee on Conference finds that the Hawaii Government Employees Association and the state executive branch have reached an understanding relating to "favored nations" provisions in agreements concerning bargaining units 2, 3, 4, and 13.

Accordingly, your Committee on Conference has amended this measure by deleting its contents and adopting the language submitted by the Governor in Governor's Message No. 241 to:

- (1) Appropriate funds necessary for fiscal biennium 2011-2013 to satisfy the salary increases and other cost adjustments relating to the "favored nations" provisions in the supplemental agreements negotiated between the state executive branch and the exclusive bargaining representative of collective bargaining units 2, 3, 4, and 13 for state officers and employees in bargaining units 2, 3, 4, and 13 and their excluded counterparts in the state executive branch;
- (2) Appropriate funds to the Hawaii employer-union health benefits trust fund (EUTF) necessary for fiscal biennium 2012-2013 to fund the EUTF costs contained in the supplemental agreements negotiated between the state executive branch, Department of Education, and University of Hawaii and the exclusive bargaining representative of collective bargaining units 2, 3, 4, and 13 for state officers and employees in the state executive branch, Department of Education, and University of Hawaii in bargaining units 2, 3, 4, and 13 and their excluded counterparts; and
- (3) Appropriate funds necessary for fiscal biennium 2011-2013 to satisfy salary increases and other cost adjustments relating to the supplemental agreement negotiated between the state executive branch and the exclusive bargaining representative of collective bargaining units 2, 3, 4, and 13 for state officers and employees in bargaining units 2, 3, 4, and 13 and their excluded counterparts in the state executive branch; and
- (4) Make this measure apply retroactively to July 1, 2011.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2324, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2324, S.D. 1, H.D. 1, C.D. 1.

Representatives Rhoads, Oshiro and Ward.  
Managers on the part of the House.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 105-12 on S.B. No. 2858**

The purpose of this measure is to:

- (1) Establish a process for a state or county agency to seek judicial review by a circuit court of a decision rendered by the Office of Information Practices that directs the agency to disclose a requested record under the Uniform Information Practices Act or prohibits disclosure under the Sunshine Law;
- (2) Require a circuit court to consider the opinions and rulings of the Office of Information Practices as precedent unless found to be palpably erroneous; and
- (3) Specify that the opinion or ruling upholding the agency's denial of access to the requestor shall be reviewed de novo unless the action to compel disclosure was brought because an agency failed to make a record available as required under section 92F-15.5(b), Hawaii Revised Statutes, after the Office of Information Practices rendered a decision for disclosure and the agency did not appeal within thirty days of that decision.

Your Committee on Conference finds that the Uniform Information Practices Act allows members of the public whose record requests are denied by a government agency to have the Office of Information Practices review the agency's denial. However, the Uniform Information Practices Act does not provide a similar process for a government agency to file an action in circuit court to appeal an adverse decision rendered by the Office of Information Practices. Accordingly, this measure establishes a uniform process for a state or county agency to seek judicial review of a decision rendered by the Office of Information Practices that directs the agency to disclose a requested record.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a government agency may file a complaint to seek judicial review of the final decision rendered by the Office of Information Practices in the circuit court where the request for access to a record was made, the prohibited act occurred, or the agency's principal place of business is located;
- (2) Clarifying that a government agency may not appeal a decision made by the Office of Information Practices unless the agency follows

the established appeals process established by this measure;

- (3) Changing the effective date to January 1, 2013; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2858, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2858, S.D. 1, H.D. 2, C.D. 1.

Representatives Keith-Agaran, Har, Tokioka and Riviere.  
Managers on the part of the House.  
(Representative Tokioka was excused.)

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 106-12 on S.B. No. 3001**

The purpose of this measure is to:

- (1) Prohibit the intentional, knowing, or reckless transfer, transport, and release after interisland transport of any wild or feral deer;
- (2) Allow specimens of wild or feral deer required for scientific or educational purposes to be transported only when authorized under a permit issued by the Department of Land and Natural Resources or other state department;
- (3) Exclude non-feral domestic animals as referenced in section 142-68, Hawaii Revised Statutes, from the prohibition;
- (4) Clarify that a deer that has been captured is no longer considered feral;
- (5) Provide definitions for "feral" and "release"; and
- (6) Establish mandatory fines for violations.

Your Committee on Conference finds that the introduction of non-native species to the State has a negative effect on Hawaii's environment and indigenous species in a variety of ways. While many introductions of non-native species are accidental, others may be purposeful. Axis Deer are causing great damage to native habitats and agricultural crops on Maui and are a danger to vehicular traffic on roadways. This measure provides a deterrent to the purposeful spread of wild or feral deer within the State and establishes penalties for the interisland transportation of wild or feral deer.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the prohibitions apply to live wild or feral deer;
- (2) Expanding the scope of the offense and its associated penalties to possession of a live wild or feral deer;
- (3) Allowing the interisland transportation and possession of live wild or feral deer only if permitted by the Department of Land and Natural Resources or other department of the State;
- (4) Deleting language that:
  - (A) Allows specimens of wild or feral deer required for scientific or educational purposes to be transported only when authorized under a permit issued by the Department of Land and Natural Resources or other state department;
  - (B) Exempts non-feral domestic animals as referenced in section 142-68, Hawaii Revised Statutes, from the offense; and
  - (C) Establishes that once a deer has been captured that deer is no longer considered feral;
- (5) Adding a definition for "possess";
- (6) Changing the effective date to upon approval; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3001, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3001, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Keith-Agaran, Har and Riviere.  
Managers on the part of the House.  
(Representative Har was excused.)



Senators Hee, Kidani, Kahele and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 107-12 on S.B. No. 1269**

The purpose of this measure is to revise the method of computing the Employees' Retirement System pension benefits for employees hired after June 30, 2011, and keeping the existing computation method for employees hired before July 1, 2011. Specifically, this measure defines "compensation" for employees hired after June 30, 2011, as:

- (1) The normal periodic payments of money for service, shortage differentials, elective salary reduction contributions, and twelve-month differentials for Department of Education employees; and
- (2) Excluding additional or extra payments, including overtime, bonuses, supplementary payments, lump sum salary supplements, allowances, or differentials, not expressly authorized in statute.

Your Committee on Conference finds that this measure addresses the unfunded liability of the Employees' Retirement System and is an important step in improving its long-term viability.

Your Committee on Conference has amended this measure by:

- (1) Updating year references throughout the measure to 2012, so that the provisions apply to employees hired before July 1, 2012, and employees hired after June 30, 2012;
- (2) Replacing references to "employee" with "member" to align with existing statutory language;
- (3) Changing the effective date to June 30, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1269, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1269, S.D. 2, H.D. 2, C.D. 1.

Representatives Rhoads, Oshiro, Yamashita and Fontaine.  
Managers on the part of the House.

Senators Hee, Shimabukuro, Ige and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 108-12 on S.B. No. 2214**

The purpose of this measure is to:

- (1) Clarify that a public employer and an exclusive representative shall negotiate the state and county contribution amounts to the Hawaii employer-union health benefits trust fund for health benefit plans and group life insurance benefits for active employees;
- (2) Remove the prohibition against applying the arbitration procedures of section 89-11, Hawaii Revised Statutes, to resolve impasses or disputes relating to contributions to the Hawaii employer-union health benefits trust fund;
- (3) Establish that a decision of an arbitration panel is final and binding when the parties cannot reach an agreement with respect to the amounts of contributions paid by the State to the Hawaii employer-union health benefits trust fund;
- (4) Repeal the legislative relief option to determine public sector health benefits contributions when an impasse exists regarding the negotiation of state cost issues; and
- (5) Repeal the prohibition against striking over the issue of public sector health benefits contributions.

Your Committee on Conference finds that the existing collective bargaining laws lack an efficient dispute resolution procedure to resolve disagreements over contributions to the Hawaii employer-union health benefits trust fund. Existing law requires that the Legislature determine the pro rata share of each party if the employer and exclusive representative cannot agree on the amount of contributions. This measure will allow disputes over contributions to be resolved through impasse procedures, similar to other negotiable items, including a public employee's right to strike.

Your Committee on Conference has amended this measure by changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2214, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2214, S.D. 2, H.D. 2, C.D. 1.

Representatives Rhoads, Oshiro, Yamashita and Johanson.

Managers on the part of the House.  
(Representative Yamashita was excused.)

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 109-12 on S.B. No. 2576**

The purpose of this measure is to:

- (1) Authorize a person convicted of committing the offense of prostitution to file a motion to vacate the conviction under certain circumstances;
- (2) Establish procedures for the motion to vacate judgment; and
- (3) Increase the mandatory fines for the offense of prostitution.

Your Committee on Conference finds that human trafficking, consisting of the subjugation, recruitment, harboring, or transportation of people for the purpose of forced labor or services, or commercial sexual exploitation, is one of the fastest growing criminal industries. This measure assists in combating human trafficking by allowing trafficking victims who were forced into prostitution to file a motion to have their prostitution convictions vacated from their records.

Your Committee on Conference has amended this measure by:

- (1) Changing references from motion to vacate judgment to motion to vacate conviction;
- (2) Adding language to require that the filed motion to vacate a prostitution conviction shall be subject to the review and written approval of the state agency or county prosecutor responsible for prosecuting the offense that is the subject of the motion to vacate conviction;
- (3) Deleting language that requires official documentation of the defendant's status as a victim of trafficking or severe form of trafficking to create a presumption that the defendant's participation in prostitution was a result of being a victim of trafficking;
- (4) Deleting the definition for "official documentation";
- (5) Amending the language in section 712-1200(4), Hawaii Revised Statutes, that established a mandatory fine of \$1,000 for the commission of the first and any subsequent offense of prostitution to establish instead a minimum fine of \$500 for the commission of the first and any subsequent offense of prostitution;
- (6) Changing the effective date to July 1, 2012; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2576, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2576, S.D. 1, H.D. 3, C.D. 1.

Representatives Mizuno, Keith-Agaran, Har, Jordan and Pine.  
Managers on the part of the House.  
(Representative Jordan was excused.)

Senators Hee, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 110-12 on S.B. No. 2378**

The purpose of this measure is to:

- (1) Require nonprofit land conservation organizations to provide, in addition to a conservation easement, a deed restriction or covenant that shall run with the land to ensure the long-term protection of the land and preserve the interests of the State, as a condition to the receipt of land conservation funds;
- (2) Require the Board of Land and Natural Resources to be made a full or partial owner of any conservation easement provided as a condition for receipt of land conservation funds but allow the Board to exempt any easement required pursuant to this measure; and
- (3) Require applications for land conservation funds to include the project's public benefit and the results of the consultations with specified state departments and agencies regarding the maximization of public benefits of the project, if practical.

Your Committee on Conference finds that the legacy land program has funded a variety of positive environmental, cultural, historical, and agricultural land protection projects supported by state agencies, counties, and nonprofits. This measure establishes safeguards to ensure that legacy lands are preserved for their intended purposes.

Your Committee on Conference has amended this measure by:

- (1) Requiring nonprofit land conservation organizations to provide an agricultural easement deed restriction or covenant, or a conservation easement, rather than both, as a condition to the receipt of land conservation funds;
- (2) Adding the Department of Land and Natural Resources, Department of Agriculture, Agribusiness Development Corporation, and Public Land Development Corporation to the entities that may be granted easements by state or county agencies and nonprofit land conservation organizations receiving land conservation funds;
- (3) Allowing land conservation organizations or county, state, or federal agencies required to be provided easements as a condition of the receipt of land conservation funds to also exempt any easement required pursuant to this measure;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2378, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2378, S.D. 1, H.D. 1, C.D. 1.

Representatives Chang, Tsuji, Har, Hashem and Riviere.  
Managers on the part of the House.  
(Representative Riviere was excused.)

Senators Dela Cruz, Nishihara, Ige, Solomon and Slom.  
Managers on the part of the Senate.  
(Senators Ige and Slom were excused.)

**Conf. Com. Rep. 111-12 on H.B. No. 1879**

The purpose of this bill is to:

- (1) Extend until June 30, 2014, the sunset provision in section 5 of Act 72, Session Laws of Hawaii (SLH) 2009, that exempts pest control operators' activities from the definition of "excavation";
- (2) Amend the definition of "excavation" to exclude any pest control activity regulated under chapter 460J, Hawaii Revised Statutes (HRS), that is not performed under contract with any county or state agency;
- (3) Direct the Public Utilities Commission (PUC) to require any operator exempt from the requirements of the One Call Center (Center) to participate in training seminars provided by the Center for education on excavation requirements and best practices; and
- (4) Require the PUC to:
  - (A) Conduct an investigation assessing the risk of residential pest control application; and
  - (B) Submit to the Legislature a report of its findings and recommendations prior to the Regular Session of 2014.

Your Committee on Conference has amended this bill by:

- (1) Amending the definition of "excavation" to exclude any pest control activity involving excavation regulated under chapter 460J, HRS, that is not performed under contract with any county or state agency;
- (2) Specifying that the training seminars in which the PUC must require exempt operators to participate be either provided or approved by the Center;
- (3) Extending until June 30, 2015, the sunset provision in section 5 of Act 72, SLH 2009;
- (4) Changing the effective date to June 29, 2012; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1879, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1879, H.D. 2, S.D. 1, C.D. 1.

Representatives Herkes, Tokioka, Ito and Marumoto.  
Managers on the part of the House.

Senators Baker, Taniguchi and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 112-12 on H.B. No. 1617**

The purpose of this measure is to:

- (1) Provide fair compensation to lessees of public lands when a withdrawal or taking of leased land renders the land unusable for the lessees' original intended purposes; and
- (2) Transfer the parcels of land identified by tax map key numbers (1) 9-4-012:001, (1) 9-4-012:002, and (1) 9-4-012:003 to the Agribusiness Development Corporation no later than January 1, 2013.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the Board of Land and Natural Resources to authorize the extension of commercial, hotel, resort, and industrial leases for lessees' substantial improvement to the leased premises;
- (2) Deleting the provisions relating to the transfer of specified parcels to the Agribusiness Development Corporation;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1617, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1617, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Brower, McKelvey, Har, Nakashima and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Solomon, Hee, Ige and Slom.  
Managers on the part of the Senate.  
(Senators Ige and Slom were excused.)

**Conf. Com. Rep. 113-12 on H.B. No. 1972**

The purpose of this measure is to clarify the basis for, and limit the amount of, fees charged for services rendered by the State Historic Preservation Division of the Department of Land and Natural Resources. Specifically, this measure:

- (1) Limits the fees charged by the comprehensive historic preservation program to those that are proportional to the complexity of the services being provided and that do not exceed the annual operating costs of the program; and
- (2) Directs the State Historic Preservation Division to develop signage for the State's cultural and historic resources.

Your Committee on Conference amended this measure by changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1972, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1972, H.D. 2, S.D. 1, C.D. 1.

Representatives Chang, Hanohano, Har, Carroll, Evans and Riviere.  
Managers on the part of the House.  
(Representative Evans was excused.)

Senators Fukunaga, Dela Cruz, Wakai and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 114-12 on H.B. No. 280**

The purpose of this measure is to address economic challenges facing the state coffee certification program while preserving the integrity of Hawaii's coffee industry.

Specifically, the measure effectuates this purpose by:

- (1) Repealing the requirement that all Hawaii-grown green coffee beans be inspected and certified by the Department of Agriculture (DOA) for grade and origin unless otherwise provided by department rules, and instead authorizing DOA to adopt administrative rules relating to the inspection and certification of the geographic origin of Hawaii-grown green coffee beans;
- (2) Prohibiting the shipment of Hawaii-grown coffee beans outside the area of their geographic origin unless the packaging has been marked with or contains documentation of geographic origin approved by DOA; and
- (3) Making the offense of false labeling of Hawaii-grown coffee with regard to the geographic origin of the coffee a class C felony.

Your Committee on Conference has amended this measure by:

- (1) Adding cherry and parchment coffee to the offense of false labeling, in addition to Hawaii-grown green coffee;
- (2) Adding two new definitions for "cherry coffee" and "parchment coffee";
- (3) Specifying that the penalties, remedies, procedures, and actions relating to the State's agricultural commodities grades and standards law shall not prohibit the county police departments and county prosecutors or state law enforcement agencies from investigating and enforcing criminal violations of Chapter 147, Hawaii Revised Statutes, relating to grades and standards for agricultural commodities and animals; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 280, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 280, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Rhoads, Hashem and Riviere.  
Managers on the part of the House.

Senators Nishihara, Kidani, Wakai and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 115-12 on H.B. No. 2487**

The purpose of this measure is to clarify and adjust pension benefit calculations of the Employees' Retirement System. More specifically, this measure, among other things:

- (1) Harmonizes ordinary disability and ordinary death benefits for new members of the Employees' Retirement System with their service retirement benefits by:
  - (A) Deleting water safety officers from the list of individuals who join the Employees' Retirement System as contributory members after June 30, 2012, because officers becoming members after June 30, 2012, are hybrid plan members;
  - (B) Applying the same benefit multiplier for service retirement benefits and ordinary disability benefits for hybrid plan members who become members of the Employees' Retirement System after June 30, 2012; and
  - (C) Making the service requirement for payment of the hybrid plan hypothetical account balance as an ordinary death benefit for an individual who becomes a member after June 30, 2012, the same as the service requirement for an inter vivos withdrawal by the member after the member has terminated service; and
- (2) Prevents unexpected increases in pension benefits and in the unfunded actuarial accrued liability of the Employees' Retirement System by:
  - (A) Limiting the amount of compensation included in "average final compensation"; and
  - (B) Requiring employers to pay the additional costs resulting from spiking.

Your Committee on Conference has amended this measure by, among other things:

- (1) Changing the term "spiking" to "significant non-base pay increases";
- (2) Stipulating that the additional contributions paid by the employers shall be payable through an established method;
- (3) Establishing the method for additional contributions required to be paid by employers for costs associated with significant non-base pay increases;
- (4) Deleting certain criteria that limited the amount of compensation included in the average final compensation of Employees' Retirement System members by excluding from the calculation of average final compensation late career spikes in an employee's compensation attributable to non-base pay compensation, such as overtime;
- (5) Changing its effective date to July 1, 2012; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2487, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2487, H.D. 1, S.D. 2, C.D. 1.

Representatives Rhoads, Oshiro, Choy, Yamashita and Johanson.  
Managers on the part of the House.

(Representative Choy was excused.)

Senators Hee, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 116-12 on H.B. No. 609**

The purpose of this measure is to provide for the health care needs of the community by:

- (1) Authorizing Hawaii Health Systems Corporation to bring the Hawaii Medical Center-East facility under its governance through formal affiliation or acquisition; and
- (2) Appropriating funds to carry out the purpose of the measure, including the hiring or contracting of staff.

Your Committee on Conference has amended this measure by:

- (1) Codifying the provisions in the measure into the Hawaii Revised Statutes, rather than as uncodified session law material;
- (2) Deleting the appropriation;
- (3) Changing the effective date to take effect upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 609, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 609, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Morikawa, Rhoads and Ching.  
Managers on the part of the House.  
(Representative Rhoads was excused.)

Senators Green, Nishihara, Chu and Oakland.  
Managers on the part of the Senate.

**Conf. Com. Rep. 117-12 on H.B. No. 2248**

The purpose of this measure is to support higher education in the State by authorizing the issuance of up to \$120,000,000 in special purpose revenue bonds to assist Hawaii Pacific University and one or more of its not-for-profit affiliates to finance, refinance, and reimburse costs related to the planning, acquisition, and construction of various capital projects.

Your Committee on Conference has amended this measure by:

- (1) Removing language specifying that the Department of Budget and Finance, in determining whether to issue special purpose revenue bonds authorized by this measure, shall comply with federal law relating to the exemption from federal income taxation of the interest on such bonds only to the extent practicable;
- (2) Removing language specifying that interest on bonds issued under this measure may be excluded from or included in gross income for federal income tax purposes; and
- (3) Making technical, nonsubstantive amendments for consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2248, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2248, H.D. 2, S.D. 2, C.D. 1.

Representatives Nishimoto, Tokioka, Nakashima, Saiki and Johanson.  
Managers on the part of the House.  
(Representative Saiki was excused.)

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 118-12 on H.B. No. 2626**

The purpose of this measure is to enhance traffic safety around Hawaii's schools and enable and encourage children to walk and bicycle to school by statutorily establishing the Safe Routes to School Program introduced under Act 100, Session Laws of Hawaii 2009. This measure also establishes:

- (1) The Safe Routes to School Program Special Fund; and

- (2) A Safe Routes to School Program surcharge of:
- (A) \$10 on all moving violations; and
- (B) \$25 on violations involving speeding in a school zone.

Traffic congestion continues to increase around Hawaii's schools. This in turn causes parents, who worry about the safety of their children, to drive their children to school, causing even more congestion around schools and increasing safety risks for students. Evaluating the modes of transportation students currently use to get to school and conducting various workshops and community-based meetings to promote alternative methods of transportation to school will not only alleviate traffic congestion but also increase student safety.

Your Committee on Conference finds that 38 schools in the State have safe routes to school programs that are extremely successful in increasing the number of children walking and biking to school. This measure will make the Safe Routes to School Program permanent and available to children throughout the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting language appropriating \$250,000 out of the Safe Routes to School Program Special Fund for use by the Department of Transportation for the Safe Routes to School Program;
- (2) Changing its effective date to September 1, 2012; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2626, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2626, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Ichiyama, Kawakami and Fontaine.  
Managers on the part of the House.

Senators Tokuda, English and Kidani.  
Managers on the part of the Senate.  
(Senator English was excused.)

**Conf. Com. Rep. 119-12 on H.B. No. 2495**

The purpose of this measure is to provide for employer contribution amounts for the Hawaii Employer-Union Health Benefits Trust Fund health benefit plan premiums for plan years 2011-2012 and 2012-2013 for employees of Collective Bargaining Unit (11) and for state officers and employees excluded from Collective Bargaining Unit (11).

According to the Office of the Governor, a settlement has been reached for salary increases and other cost adjustments related to "favored nations" provisions in a supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining units (2), (3), (4), and (8) for employees of the University of Hawaii. Accordingly, your Committee on Conference has amended this measure by deleting its contents and replacing it with language that appropriates or authorizes funds to be used for:

- (1) Salary increases and other cost adjustments related to "favored nation" provisions in the supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining units (2), (3), (4), and (8) for employees of the University of Hawaii, and their excluded counterparts, for fiscal biennium 2011-2013; and
- (2) Hawaii employer-union health benefits trust fund costs related to "favored nation" provisions contained in the supplemental agreement negotiated between the University of Hawaii and the exclusive bargaining representative of collective bargaining unit (8), and their excluded counterparts, for fiscal biennium 2011-2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2495, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2495, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Oshiro and Ward.  
Managers on the part of the House.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 120-12 on H.B. No. 2569**

The purpose of this measure is to reconfirm and clarify the original intent of the Hawaii civil union laws enacted by Act 1, Session Laws of Hawaii 2011, by, among other things:

- (1) Clarifying that two individuals who are married, partners to a civil union, or reciprocal beneficiaries and hold property as tenants by the entirety will maintain continuous ownership as tenants by the entirety when they change their legal relationship status under

specified conditions;

- (2) Establishing that if two reciprocal beneficiaries enter into a civil union with one another, their rights, benefits, protections, or responsibilities as reciprocal beneficiaries will be continuous through the time they enter into the civil union and be deemed to have accrued from the first date those rights and responsibilities existed under the reciprocal beneficiary relationship if the couple terminates their reciprocal beneficiary relationship simultaneously with their entry into their civil union or terminates within ninety days prior to their entry into a civil union;
- (3) Clarifying that the rights, benefits, protections, or responsibilities created by the solemnization of a civil union that were not included within a reciprocal beneficiary relationship are to be recognized as of the date the civil union was solemnized;
- (4) Clarifying the statutory requirements for a valid marriage contract and to enter into a valid civil union;
- (5) Clarifying the statutory requirements for the solemnization of a civil union, including which persons are authorized to solemnize a civil union and the reporting requirements of a civil union solemnization;
- (6) Clarifying that legal unions validly performed in other state jurisdictions that are substantially that are equivalent to a civil union in this State will be treated the same as civil unions entered into in this State;
- (7) Clarifying that a person may not enter into a reciprocal beneficiary relationship if the person is already in a civil union, and that a reciprocal beneficiary relationship will automatically terminate when either party enters into a marriage, civil union, or an out-of-state union recognized by law as a marriage or civil union in the State;
- (8) Authorizing a change of name upon entering into a civil union;
- (9) Confirming that the Family Court has jurisdiction over the divorce, annulment, and separation of a union that is recognized as a civil union in this State;
- (10) Allowing couples who terminated their reciprocal beneficiary relationships after October 3, 2011, but before the effective date of this Act, and subsequently entered into civil unions no later than ninety days after their reciprocal beneficiary relationships terminated to have their rights held in the reciprocal beneficiary relationships carry over, uninterrupted into their civil unions; and
- (11) Allowing certain reciprocal beneficiaries who, prior to the effective date of section 17, enter into a legal union in another jurisdiction that is not marriage as recognized in Hawaii but is equivalent to a civil union under Hawaii law, to have their legal union recognized as a civil union.

Your Committee on Conference has amended this measure by:

- (1) Simplifying Section 1 of this measure to emphasize the legislature's intent to reconfirm and clarify the provisions of chapter 572B, Hawaii Revised Statutes, as enacted by Act 1, Session Laws of Hawaii 2011;
- (2) Including a provision relating to a liability exemption under certain circumstances for religious organizations and religious facilities; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2569, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2569, H.D. 2, S.D. 1, C.D. 1.

Representatives Keith-Agaran, Oshiro, Har, Ito and Thielen.  
Managers on the part of the House.  
(Representative Ito was excused.)

Senators Hee, Green and Ihara.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 121-12 on H.B. No. 2476**

The purpose of this measure is to appropriate funds to satisfy various claims against the State, its officers, or its employees for overpayment of taxes, refunds, reimbursements, payments of judgments or settlements, and other claims.

Your Committee on Conference has amended this measure by:

- (1) Adding two additional claims against the State of Hawaii, as follows:
  - (A) Matsumura v. Board of Trustees of the Employees' Retirement System of the State of Hawaii, CAAP-11-0000106, a settlement in the amount of \$120,000.00; and
  - (B) Tagaca v. State of Hawaii, Civil No. 09-1-2098-09, First Circuit, a settlement in the amount of \$35,000; and
- (2) Making technical, nonsubstantive changes for the purposes of clarity, consistency, and style.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2476, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2476, H.D. 1, S.D. 2, C.D. 1.

Representatives Keith-Agaran, Oshiro, Har and Thielen.  
Managers on the part of the House.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 122-12 on H.B. No. 2848**

The purpose of this measure is to reduce recidivism for criminal offenders by employing native Hawaiian cultural practices and other innovations to effectuate this objective.

Specifically, the measure:

- (1) Requires the Department of Public Safety to prepare a plan to create a pu'uhonua, or wellness center, that incorporates native Hawaiian cultural practices; and
- (2) Creates a pilot program to allow certain incarcerated individuals on Hawaii Island to work in the community on projects that benefit the local community and the State.

Your Committee on Conference has amended this measure by:

- (1) Making this measure effective upon its approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2848, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2848, H.D. 3, S.D. 2, C.D. 1.

Representatives Aquino, Hanohano, Chang, Cullen, Nakashima, Tsuji and Fontaine.  
Managers on the part of the House.  
(Representative Fontaine was excused.)

Senators Galuteria, Espero, Kidani, Kaele, Ryan and Solomon.  
Managers on the part of the Senate.  
(Senator Kidani was excused.)

**Conf. Com. Rep. 123-12 on H.B. No. 1974**

The purpose of this measure is to temporarily remove the residency requirements for the burial of members of the armed services and certain members of their family. This measure also establishes criteria consistent with the United States Department of Veterans Affairs eligibility requirements for burial in a national or state cemetery.

Your Committee on Conference has amended this measure by:

- (1) Repealing established statutory language allowing for the burial of nonresident servicemen and dependents at the discretion of the legislative bodies of the respective counties;
- (2) Changing the effective date to upon its approval; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1974, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1974, H.D. 2, S.D. 1, C.D. 1.

Representatives Aquino, Cullen, Cabanilla, Ito and Johanson.  
Managers on the part of the House.  
(Representative Johanson was excused.)

Senators Espero, Kidani, Ryan and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 124-12 on H.B. No. 2664**

The purpose of this measure is to establish a public-private partnership to research, develop, and implement a model and system of collaborative health care delivery in counties with a certain population range that addresses the coordination of care across the spectrum of care, from acute, to skilled nursing facility, to home.

Your Committee on Conference has amended this measure by:

- (1) Referring to the county in which the public-private partnership will be established as a county that encompasses at least three islands inhabited by permanent residents, rather than a county with a population between 100,000 and 170,000;
- (2) Deleting the appropriation from the measure; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2664, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2664, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamane, Morikawa, Jordan and Ching.  
Managers on the part of the House.

Senators Green, Baker, Chun Oakland and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 125-12 on H.B. No. 2275**

The purpose of this measure is to ensure access to health care for Medicaid recipients by establishing:

- (1) A hospital sustainability fee to be assessed on inpatient services provided by hospitals; and
- (2) A hospital sustainability program special fund to receive moneys from the hospital sustainability fee,

which will make Hawaii eligible to receive federal matching funds to preserve access to health care for the State's Medicaid population and sustain its health care system.

Your Committee on Conference notes that this measure will help stabilize Medicaid payments to facilities and help financially sustain Hawaii's hospitals for care delivered to Medicaid recipients.

Your Committee on Conference has amended this measure by, among other things:

- (1) Specifying that state hospitals will not be covered by the hospital sustainability fee, but will benefit from the use of their certified expenditures and intergovernmental transfers to generate federal funds to cover their operating expenses;
- (2) Clarifying that the hospital sustainability fee will be assessed on health care items or services provided by private hospitals;
- (3) Specifying that the Department of Human Services (DHS) will administer the hospital sustainability program, including the hospital sustainability fee and the hospital sustainability program special fund;
- (4) Defining "outpatient care";
- (5) Specifying that federal Medicaid funds received as matching funds for state expenditures shall be deposited into the hospital sustainability program special fund;
- (6) Specifying the exclusive allowable uses of the hospital sustainability program special fund moneys, including the allocation of:
  - (A) At least 93 percent of the moneys for direct payments to private hospitals for allowable uncompensated care costs;
  - (B) Two percent of the moneys for Medicaid covered services for the benefit of hospitals; and
  - (C) Five percent of the moneys to DHS for other departmental purposes;
- (7) Specifying allowable uses of federal funds derived from the state hospital certified expenditures and intergovernmental transfers;
- (8) Establishing a ceiling appropriation for the hospital sustainability program special fund;
- (9) Providing that the hospital sustainability fee will be assessed on outpatient care, as well as inpatient care services provided by private hospitals;
- (10) Setting forth parameters of the hospital sustainability fee for inpatient and outpatient care services;

- (11) Exempting hospitals with net outpatient revenue of less than \$45,000,000 per year based on fiscal year 2010 reports from the hospital sustainability fee on outpatient care services;
- (12) Clarifying how the sustainability fee assessments will be collected;
- (13) Establishing a penalty equal to prime plus two percent of the hospital sustainability fee to be assessed upon nonpayment of the fee when due;
- (14) Setting forth how private hospital payments will be made, which includes specifying that payments shall not be due until at least 15 days after receipt of the fees required under the fee assessment provisions and that a penalty shall be assessed for DHS's failure to pay the full amount when due;
- (15) Specifying that moneys in the hospital sustainability program special fund shall be used exclusively for purposes enumerated in this measure;
- (16) Specifying that the hospital sustainability program special fund shall not be responsible for its pro rata share of the administrative expenses incurred by DHS for operations of the special fund;
- (17) Preserving the effectiveness of the section of the measure relating to exclusive use of the hospital sustainability program special fund beyond the effective date of this measure to accommodate the final distribution of moneys in the special fund after the expiration of the hospital sustainability program; and
- (18) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2275, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2275, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Oshiro, Jordan, Morikawa and Ching.  
Managers on the part of the House.  
(Representative Jordan was excused.)

Senators Green, Chun Oakland, Ige, Baker and Kouchi.  
Managers on the part of the Senate.

**Conf. Com. Rep. 126-12 on S.B. No. 2739**

The purpose of this measure is to authorize the Small Business Regulatory Review Board to require an agency to conduct another public hearing on a rule change when the rulemaking agency declines to make changes requested at the first hearing and the agency's small business statement, submitted after the hearing, indicates inconsistency with the agency's earlier determination or does not address the public's concerns.

Your Committee on Conference finds that this measure would address concerns raised by the Small Business Regulatory Review Board regarding the lack of cooperation the Board sometimes encounters regarding an agency's response to the requirements of chapter 201M, Hawaii Revised Statutes. However, your Committee on Conference is also concerned that this measure could delay the adoption of rules that are critical to an agency's ability to perform its duties according to law.

Your Committee on Conference further finds that the size and lack of specific membership requirements for the Small Business Regulatory Review Board hampers the Board's ability to meet its statutory obligations.

Your Committee on Conference has amended this measure accordingly, by:

- (1) Deleting the authorization for the Small Business Regulatory Review Board to require another public hearing on a rule change;
- (2) Authorizing the Small Business Regulatory Review Board with good cause to request a written response from the agency explaining the rationale used to deny the public concerns within ten working days of receipt of the small business statement after public hearing, and requiring the agency to respond in writing to the board's concerns within ten working days;
- (3) Requiring an agency's written response to specifically address each issue and concern raised in the board's request for a written response, and affirmatively state that the agency has considered all written and oral testimony received at the agency's public hearing and had addressed all issues or concerns raised in the written and oral testimony;
- (4) Reducing the size of the board from eleven to nine members, with three members appointed from a list of nominees submitted by the President of the Senate, and three members appointed from a list of nominees submitted by the Speaker of the House of Representatives, from nominations solicited from small business organizations, state and county chambers of commerce, and other interested business organizations; and two members appointed by the Governor; with the Director of Business, Economic Development, and Tourism, or the Director's designated representative, to serve as an ex officio voting member of the board; and requiring at least one representative from each county;
- (5) Requiring each agency to notify the board on an annual basis of any rules that should be amended or repealed based on any new, amended, or repealed statute;
- (6) Inserting an effective date of July 1, 2012; and

- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2739, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2739, S.D. 2, H.D. 1, C.D. 1.

Representatives McKelvey, Choy, Yamashita and Marumoto.  
Managers on the part of the House.  
(Representative Marumoto was excused.)

Senators Fukunaga, Baker, Espero, Wakai and Slom.  
Managers on the part of the Senate.  
(Senators Espero and Slom were excused.)

**Conf. Com. Rep. 127-12 on S.B. No. 2239**

The purpose of this measure is to:

- (1) Establish a venture accelerator funding program under the Hawaii Strategic Development Corporation to assist the State's technology businesses to compete for investment capital; and
- (2) Appropriate unspecified funds for fiscal year 2012-2013 as a grant pursuant to chapter 42F, Hawaii Revised Statutes, for a venture accelerator funding program; provided that up to \$250,000 shall be expended for project oversight of program awardees.

Your Committee on Conference finds that the venture accelerator funding program in this measure is also contained in a separate measure, and has therefore amended this measure by deleting its contents and replacing them with the language in S.B. No. 2239, S.D. 1, which:

- (1) Exempts grants made under the community-based economic development program from the Hawaii public procurement code;
- (2) Clarifies that monies in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and
- (3) Repeals the High Technology Innovation Corporation; and
- (4) Inserts an effective date of upon approval.

Your Committee on Conference has further amended this measure by delaying the repeal of the High Technology Innovation Corporation to June 30, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2239, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2239, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Coffman, Choy, Yamashita and Marumoto.  
Managers on the part of the House.  
(Representatives Coffman and Marumoto were excused.)

Senators Fukunaga, Espero and Ryan.  
Managers on the part of the Senate.  
(Senator Ryan was excused.)

**Conf. Com. Rep. 128-12 on S.B. No. 2927**

The purpose of this measure is to prevent urban sprawl and facilitate development in appropriate areas by:

- (1) Establishing planning districts and creating a process for developers to apply for residential and commercial exceptional planning projects;
- (2) Establishing the transit-oriented or main-street redevelopment program;
- (3) Authorizing state and county incentives for exceptional planning projects; and
- (4) Establishing a discretionary review process for the transfer of floor area within the planning district.

Your Committee on Conference finds it necessary for the State to streamline its efforts and implement ideas that would result in reasonable, rational, and equitable land use planning. Existing laws contain unnecessary and oftentimes burdensome requirements that lengthen the process of worthy development projects. This measure would provide for a more timely and efficient process for the development of Hawaii's lands within appropriate locations and prevent urban sprawl.

Your Committee on Conference has amended this measure by:

- (1) Adding a purpose section;
- (2) Renaming the term "exceptional planning project" as "qualified project" and making conforming amendments;
- (3) Adding a definition of "qualified project" or "project";
- (4) Restricting the establishment of planning districts that consist of a transit-oriented development to counties with a population of five hundred thousand or more;
- (5) Restricting the establishment of planning districts that consist of a transit-oriented development near bus transit stations or centers to locations within the county development or sustainable counties plans for Ewa, Central Oahu, and the Primary Urban Center;
- (6) Adding Pearl Highlands to the list of rail transit stations near which a transit-oriented development exists that authorizes the establishment of a planning district;
- (7) Renaming the "transit-oriented or main-street redevelopment program" as the "transit-oriented or main-street redevelopment district program" and making conforming amendments;
- (8) Deleting the indemnity provision;
- (9) Requiring contractors or subcontractors to be pre-qualified by demonstrating at least three years of experience in Hawaii on similar projects;
- (10) Deleting the legislative approval requirement for qualified projects to receive state incentives;
- (11) Authorizing state incentives for qualified projects established in planning districts, subject to rules;
- (12) Inserting language to require the transit ridership study to be included in a qualified project application to demonstrate the need for development by determining factors that will achieve overall land use density that is consistent with existing county general plans and state plans;
- (13) Restricting receiving sites of floor area ratio transfers to sites only within planning districts that consist of a transit-oriented development within a radius of a rail transit station located at east Kapolei, the University of Hawaii West Oahu, West Loch, Waipahu, Leeward Community College, or Pearl Highlands;
- (14) Authorizing the Office of Planning to hire two temporary positions under certain conditions;
- (15) Appropriating \$250,000 provided by the Honolulu Authority for Rapid Transportation for two temporary positions in the Office of Planning;
- (16) Adding a severability clause;
- (17) Inserting an effective date of July 1, 2012; and
- (18) Making technical, nonsubstantive amendments for the purposes of consistency and clarity.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2927, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2927, S.D. 2, H.D. 1, C.D. 1.

Representatives Chang, Cabanilla, McKelvey, Souki, Har and Pine.  
Managers on the part of the House.  
(Representatives Cabanilla and Souki were excused.)

Senators Dela Cruz, Solomon, Ige, Fukunaga and Kouchi.  
Managers on the part of the Senate.  
(Senator Fukunaga was excused.)

#### **Conf. Com. Rep. 129-12 on S.B. No. 2466**

The purpose of this measure is to ensure access to health care for Medicaid recipients by establishing a nursing facility sustainability fee and a special fund to receive monies from the nursing facility sustainability fee in order to receive federal Medicaid matching funds under the QUEST Expanded Medicaid Section 1115 Demonstration Waiver.

Your Committee on Conference finds that provider assessments are commonly used to generate revenue for a state by leveraging federal funds through Medicaid. The revenue generated by this measure will ensure long-term facilities will be fully compensated for their uncompensated or under compensated services to Medicaid patients and the uninsured, and assist the State and the Department of Human Services (DHS) in maintaining and providing medical assistance to those who require assistance.

Your Committee on Conference notes the Department of Human Services' request that state long-term care facilities be exempt from the nursing facility sustainability fee program. Your Committee on Conference also notes that although DHS and the nursing facilities agree on the concept of the nursing facility sustainability fee program, this measure, as currently drafted, does not address all stakeholders' concerns.

Your Committee on Conference has therefore amended this measure by:

- (1) Adding language to explain that state long-term care facilities shall not be covered by the nursing facility sustainability fee although state facilities will benefit from other provisions of this measure;
- (2) Adding language that allows monies in the special fund to include all federal Medicaid funds received by DHS as a result of matching expenditures made with the nursing facility sustainability fee;
- (3) Amending the requirements for the use of the revenue from the nursing facility sustainability fee, including the percentage of the revenue to be used for specific purposes;
- (4) Authorizing DHS to utilize other resources to make supplemental payments or support increased capitation rates to health plans to benefit long-term care facilities;
- (5) Prohibits the use of certified expenditures of state long-term care facilities to make or support direct payments to private nursing facilities during any period in which the nursing facility sustainability fee is in effect;
- (6) Establishes a nursing facility sustainability program special fund ceiling appropriation of \$12,000,000 for fiscal year 2012-2013 and \$10,000,000 in federal funds for HMS 401 fiscal year 2012-2013;
- (7) Increasing the percent of net patient service revenue that the nursing facility fee shall not exceed from three percent to four percent;
- (8) Clarifying that the per resident daily fee shall be the same amount for each affected facility;
- (9) Amending the exemption from the nursing facility sustainability fee for nursing facilities with twenty-eight or fewer medicaid-licensed beds to an exemption for nursing facilities with twenty-eight or fewer licensed beds;
- (10) Changing the deadline for initial payment of the nursing facility sustainability fee to the later of July 31, 2012, or forty-five days after certain required federal approvals;
- (11) Deleting the language that required the Department to use revenues from the nursing facility sustainability fee and federal matching funds to enhance the capitated rates paid to the QUEST plans;
- (12) Clarifying that the nursing facility sustainability fee revenues and federal matching funds shall be used to enhance the capitated rates paid to QUEST Expanded Access Plans and amending the objectives for the use of those monies;
- (13) Adding language to emphasize that the monies in the nursing facility sustainability program special fund shall not be used for purposes other than the exclusive uses set forth in the section establishing the special fund;
- (14) Adding language that amends section 36-30, Hawaii Revised Statutes, to exempt the nursing sustainability program special fund from paying its pro rata share of the administrative expenses incurred by DHS in operating the fund;
- (15) Changing the effective date to July 1, 2012;
- (16) Adding a repeal date of June 30, 2013; provided that the language establishing exclusive uses for revenue from the nursing facility sustainability fee shall be repealed on December 31, 2013; and
- (17) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2466, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2466, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Oshiro, Jordan, Morikawa and Ching.  
Managers on the part of the House.  
(Representative Jordan was excused.)

Senators Chun Oakland, Ige and Green.  
Managers on the part of the Senate.

**Conf. Com. Rep. 130-12 on H.B. No. 2515**

The purpose of this measure is to:

- (1) Allow for the sentence of probation for certain second-time drug offense convictions;
- (2) Clarify that a person sentenced to probation shall be eligible for only one expungement as a first time drug offender;
- (3) Allow for probation for a period of four years for certain class B or class C felonies; and
- (4) Require the defendant's probation officer to report to the court concerning the defendant's compliance with conditions of probation for early discharge.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that a person sentenced to probation as a first time drug offender who has not been previously sentenced to probation as a drug offender shall be eligible for one time only for expungement;
- (2) Clarifying that prior to granting early discharge, the defendant's probation officer must report to the court concerning the defendant's non-compliance, in addition to the defendant's compliance with the conditions of the defendant's probation; and
- (3) Specifying that the five year probation period for specified classes of class B or C felonies and the four year probation period for all other classes of class B and C felonies apply only to felonies committed on or after January 1, 2013.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2515, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2515, H.D. 3, S.D. 2, C.D. 1.

Representatives Aquino, Keith-Agaran, Oshiro, Cullen, Ito and Fontaine.  
Managers on the part of the House.

Senators Espero, Hee, Kidani and Ihara.  
Managers on the part of the Senate.  
(Senator Hee was excused.)

### **Conf. Com. Rep. 131-12 on H.B. No. 2012**

#### **I. INTRODUCTION**

The State has now addressed considerable budget shortfalls in three consecutive years. This includes \$2.1 billion in 2009, \$1.2 billion in 2010, and \$1.3 billion in 2011. Currently, projected general fund balances over the next several years are very modest. For the first time in four years, your Committee is not faced with a revenue shortfall in excess of a billion dollars.

General fund revenues peaked in fiscal year 2007–2008 at about \$5.2 billion. If the fiscal year 2011–2012 revenue projection of the Council on Revenues (COR) is accurate, on June 30, 2012, the fiscal year will close with revenues finally surpassing this level. It has taken years for general fund revenues to recover from the effects of the recent recession. However, fiscal challenges remain. Departments are struggling to provide acceptable levels of services under increasingly challenging conditions. At the same time, Medicaid and other fixed costs have continued to rise exponentially.

Your Committee on Conference continues to support the administration in its efforts to right the ship of state. This has proven to be no small task, considering the notable absence of effective state executive leadership over the course of the great recession and the significant impact state spending reductions have had on state programs and personnel. Your Committee on Conference appreciates the administration's improved efforts to communicate and work with the Legislature on strategic fiscal and policy matters.

Your Committee on Conference commends the current administration's commitment to prudent fiscal policies in providing critical structural stability to the State's financial plan by restructuring debt service payments on outstanding general obligation bonds. While the prior administration refinanced debt for immediate savings without regard for future costs, the current administration has retired future debt earlier, which will save the State \$59,000,000 in debt service. The current administration has also made every effort to end the practice of payment delays to providers and taxpayers.

Your Committee on Conference's guiding principles for the supplemental budget were to:

- Support the State's core functions, including programs that provide services for those most in need;
- Make strategic investments in people and programs that encourage economic growth and lower future costs; and
- Support long-term planning and accountability efforts to fundamentally change the character and delivery of government services.

#### **II. ECONOMIC OUTLOOK**

##### National Economic Outlook

Positive economic data has filled the news thus far in 2012. The unemployment rate has declined significantly, household spending and confidence have increased steadily, and financial markets have rallied to near four-year highs. Although the data indicates that economic recovery is underway, the Congressional Budget Office (CBO), which produces ten-year economic forecasts for the congressional budget committees, expects the economy will grow at a sluggish pace over the next two years. CBO projects that real gross domestic product will grow by 2.0 per cent this year (as measured by the change from the fourth quarter of 2011) and by 1.1 per cent next year due to prolonged effects of the recession and current fiscal restraint.

The CBO also forecasts that the national unemployment rate will remain above 8.0 per cent for the next two years and that it will take five years until the unemployment rate drops to 5.5 per cent (close to the economy's natural rate of unemployment of 5.2 per cent).

In addition, strains in the global financial markets pose significant downside risks to the economic outlook:

- A worsening of the banking and fiscal problems in Europe could spill over to the United States and international financial markets;
- The recent increases in oil and gas prices, if the trend continues, will heighten inflation and threaten the economic recovery; and

- Upcoming congressional budget and policy decisions have the potential to not only stymie the national recovery, but also leave states uncertain of what federal funds to expect.

The Federal Reserve, which is tasked with setting the United States' monetary policy, has stated that it expects to keep interest rates at exceptionally low levels at least through late 2014. This is in line with CBO's forecast for economic recovery and reinforces a policy of cautious optimism, that while the economy is improving, it is still years away from normal levels.

#### The Economic Outlook for Hawaii

Hawaii's economy has likewise seen a recovery driven primarily by a surge in the visitor industry at the end of 2011. The University of Hawaii Economic Research Organization (UHERO) states that the Hawaii visitor industry experienced a 3.5 per cent growth in arrivals and a 15.6 per cent increase in nominal visitor spending in 2011 compared to 2010. UHERO partially credits this to the opening of Disney's Aulani Resort and the APEC Conference in November.

However, UHERO and the Department of Business, Economic Development, and Tourism note the following as risks to Hawaii's economy:

- "Hawaii's economy depends significantly on conditions in the economy and key international economies, especially Japan." Slowing global growth has been a recent concern as the forecasts for China and Japan's economic growth have been lowered in 2012 and the risks of spill over from a European crisis remains possible.
- "Oil has been hovering over \$100 per barrel and high oil prices restrain visitor growth." However, UHERO is optimistic on news that airlines continue to expand routes to Hawaii and that the Obama Administration has been pushing for eased visa requirements for visitors from Brazil and China.
- "Labor market data confirms earlier fears that Hawaii's job recovery has retreated." While Hawaii's February unemployment rate of 6.4 per cent is much lower than the national average of 8.3 per cent, it is nowhere near the average unemployment rate of 2.5 per cent in 2006.
- The construction sector has been improving on Oahu, but neighbor island construction employment was nearly 13.0 per cent lower than a year earlier. Furthermore, the future of the Honolulu Rail Transit project remains uncertain.

### III. GENERAL FUND REVENUE OUTLOOK

By law, the Council on Revenues (COR) reports its latest tax revenue forecast to the Governor and the Legislature on June 1, September 10, January 10, and March 15 of each year. State revenues come primarily from the general excise tax and the state income tax. Similar to last year, the COR has made significant forecast changes.

In the September 6, 2011, meeting, the COR raised their forecast for fiscal year 2011-2012 tax revenue growth from 11.0 per cent to 14.5 per cent, citing the effect of the delay in income tax refunds, economic growth, and new tax laws as the basis for the increase. The COR subsequently lowered their forecast in the January 5, 2012, meeting from 14.5 per cent to 11.5 per cent, mainly citing a shortfall in tax collections in the first half of the fiscal year. This forecast reduced expected general fund revenues over the fiscal biennium by about \$267.2 million.

In the most recent March 7, 2012, meeting, the COR raised their fiscal year 2011-2012 forecast slightly from 11.5 per cent to 12.0 per cent, in addition to raising their forecasts for fiscal years 2013 to 2016. The COR based the revisions on their outlook of the economy, including the improving visitor industry, an overall economic expansion, an improving job market, and higher consumer confidence. This increased expected general fund revenue over the 2011-2013 fiscal biennium by about \$93.2 million. However, the COR also expressed "concerns about the uncertainty in European economies, the possibility of a war with Iran and rising oil and gas prices."

Given the volatility of the economy and the large swings in financial markets over the past nine months, it should be noted that significant downside risks exist for revenue growth assumptions over the budget planning period.

### IV. BUDGET OVERVIEW

The supplemental budget request submitted by the Governor prior to the 2012 Regular Session was premised on the COR general fund revenue growth projection of 14.5 per cent for fiscal year 2011-2012. The general fund balance at the end of the fiscal biennium was then projected to be about \$234.9 million. On January 5, 2012, the COR significantly lowered the general fund revenue projection, essentially eliminating this balance and leaving a projected deficit of about \$20 million at the end of the fiscal biennium. While the COR did increase the general fund growth projection by 0.5 per cent on March 7, 2012, this has resulted in only a small projected general fund balance at the end of the fiscal biennium.

The Governor's initial supplemental budget request resulted in a net request to add \$34,003,992 in general funds to the total budget for fiscal year 2012-2013. This amount included:

- (1) \$46,425,979 for various programs to restore the health and human services safety net;
- (2) \$46,057,502 for the Department of Education and University of Hawaii;
- (3) \$8,229,427 to maintain essential services across the State;
- (4) \$19,242,141 for various New Day initiatives; and
- (5) A reduction of \$85,861,396 based upon budget savings, including debt service savings, retirement system/FICA payment savings, and employee and retiree health premium payment savings, to offset the additions.



The Governor's New Day requests largely center on chief information officer initiatives, including technology triage, information technology integration pilot projects, business process and information technology, and information rights management reengineering. New Day requests also include funding for the protection of important watersheds, the aging and disability resource center, broadband initiatives, obesity and diabetes prevention programs, and early learning initiatives.

Other notable adjustments contained in the Governor's supplemental budget request include the distribution of \$88,200,000 in general fund reductions and corresponding reductions of non-general funds for expected labor savings and the distribution of \$50,000,000 in general fund reductions under the administration program review, whereby the Governor reprioritized state spending.

In addition, the Governor has submitted six Governor's Messages adjusting the supplemental budget request over the course of this Regular Session. These message items have adjusted the Governor's requested general fund appropriations by reducing \$492,356 for fiscal year 2011-2012 and adding \$7,149,840 for fiscal year 2012-2013. As adjusted for message items, the total requested general fund supplemental budget is \$5,443,441,659 for fiscal year 2011-2012 and \$5,597,335,456 for fiscal year 2012-2013.

The House of Representatives (House) adopted a draft of the budget measure that considered the Governor's initial supplemental budget request, but not most of the subsequent Governor's Message items. Significantly, the House funded much of the Governor's information technology initiatives through the use of special funds. In addition, the House included \$50,000,000 to begin addressing the annual required contribution of the Employer-Union Health Benefits Trust Fund's (EUTF) unfunded liability.

The Senate was able to consider each of the Governor's requests, including those transmitted via Governor's Message. A majority of the Governor's requested budget adjustments were adopted by the Senate, as they pertain to maintaining the health and human services safety net, strengthening primary and secondary education, investing in the State's information technology infrastructure, and restoring the ability of government to perform other necessary functions.

Your Committee on Conference resolved the differences in the drafts of this measure proposed by the House of Representatives and the Senate. This measure is the result of collaborative efforts whereby the House of Representatives moved to adopt many of the budget adjustments requested via Governor's Message that it had not previously been able to consider. In addition, collaborative efforts resulted in a number of other adjustments contained in previous drafts.

Your Committee on Conference has adjusted the supplemental budget request submitted by the Governor, as modified by Governor's Message items, by adding \$20,000 in general funds for fiscal year 2011-2012 and adding \$1,433,323 in general funds for fiscal year 2012-2013. Across all means of financing, your Committee on Conference has added \$20,000 for fiscal year 2011-2012 and added \$12,094,823 for fiscal year 2012-2013.

## V. DEPARTMENT HIGHLIGHTS

### Human Services

The need for assistance continues to grow among Hawaii's residents. Over the past several years, continued job loss and significant wage and benefit reductions have forced many families to survive at or below poverty levels. The State has witnessed unprecedented growth in the number of residents enrolled in MedQUEST and temporary assistance for needy families (TANF) programs and struggles to maintain services at the levels provided in prior years. Your Committee on Conference is mindful of the importance of providing core services to individuals and families in need and supports the Department of Human Services' efforts to assist Hawaii's vulnerable populations.

At a time when all state agencies were being asked to do more with less, the Department of Human Services was tasked with reducing costs and expenditures without compromising critical core services. Your Committee on Conference recognizes this difficult task and commends the Department in its efforts to reform operations to sustainable levels while providing services where they are most needed.

In the MedQUEST Division, the Department managed a \$75,000,000 general fund reduction over the 2011-2013 fiscal biennium while working to maintain important services to replace the prior administration's short-sighted delayed payments strategy with proactive, sustainable, cost-saving strategies. MedQUEST successfully initiated a reduction in capitation payments to both QUEST and QUEST expanded access health plans by three per cent and generated approximately \$22,000,000 in general fund savings. The Division received approval from the Centers for Medicare and Medicaid Services to allow the State to claim additional federal funds for Compact of Free Association recipients related to inpatient hospital stays, generating another \$3,000,000 in general fund savings. In fiscal year 2012-2013, the Department will implement a program integrity review that will reduce inactive cases, including those of non-residents, and has projected recapturing \$16,600,000 in general funds. The Department has also been informed that the federal medical assistance percentage (FMAP) for Hawaii will increase by 1.38 per cent, which will bring an additional \$15,000,000 in federal funds to the State.

Your Committee on Conference appreciates the Department's prudent approach at reforming the MedQUEST Division's budget, but remains cognizant of the increased demand for services and national rise in health care costs. As such, your Committee on Conference has provided \$8,135,700 in general funds and \$14,745,086 in federal matching funds for fiscal year 2012-2013 towards Medicaid capitation payments.

Similarly, the Benefit, Employment and Support Services Division reviewed TANF programs' prior year operations and identified cost-saving strategies through the consolidation of service contracts, reduction in non-mandated cash assistance and services, and revised employer wage subsidy payments. Through these measures, the Department was able to immediately reduce contract expenditures by over \$4,000,000 in general funds. Changes in service delivery effectuated an additional \$5,200,000 in general fund savings due to reduced administration costs and revised contract reimbursements.

Your Committee on Conference recognizes that the Department's efforts have significantly helped to bring TANF expenditures down to more manageable levels. In support of the Department's reforms, your Committee on Conference has provided \$18,191,515 in general funds to maintain TANF services for Hawaii's residents. Further, your Committee on Conference has approved the Department's request to redistribute the savings internally for information technology improvements. As such, the sum of \$3,628,266 in general funds has been provided for software licensing, business process reengineering, and document imaging, which will ultimately help to improve the delivery and accessibility of critical services provided by the Benefit, Employment and Support Services Division.

The Child Protective Services (CPS) program was also recently subjected to extensive program review. Under the prior administration, contracts

within child welfare services were permitted to overextend themselves in excess of \$12,000,000 in general funds. The imprudent use of loopholes and unregulated transfers brought CPS to contract levels well beyond budgeted amounts, which placed other programs within the Department at risk of insolvency. In recognition of these issues, the Department has consolidated duplicative services and requested remaining service providers to solicit alternative funding sources to supplant general funds.

Federal reductions to TANF and the loss of ARRA and emergency assistance funds have resulted in the Department's inability to reduce CPS' expenditures to the originally budgeted amounts, and funding for domestic violence services was reduced. Given the importance of these services to Hawaii's vulnerable populations and the Department's thoughtful review and consolidation of existing contracts, your Committee on Conference has provided funding for the remaining shortfalls to ensure the continuity of remaining contracts. To this end, general funds in the amount of \$6,880,719 for child welfare service contracts and \$1,530,000 for domestic violence contracts, as well as \$390,000 in special funds for spouse and child abuse support programs, have been provided by your Committee on Conference to CPS.

The prior administration's mismanagement of the Department's budget records and untenable contract expenditures continue to impact the Department's operations. In fiscal year 2011-2012, the Department resorted to transferring money out of health care payments to fund salary shortages that resulted from uncategorized fund transfers out of various programs. Consequently, a number of emergency appropriations were made necessary at the start of this calendar year to fund these shortfalls. In an effort to mitigate such operational inefficiencies, the Department has come forward with a supplemental budget request that asserts improved transparency and sustainable service levels by means of a fully funded budget.

Your Committee on Conference hopes that the Department has accurately assessed its budgetary needs and that the supplemental request for funds to cover payroll shortages is what is truly necessary to make the Department whole. On this basis, your Committee on Conference has provided a net sum of \$5,470,669 in general funds directly to programs identified by the Department as being under- and over-budgeted with the intent of establishing fully funded positions in the divisions left impaired by prior year reductions.

Your Committee on Conference is supportive of the Department's efforts to plan ahead and begin fiscal biennium 2013-2015 with a level of resources and staff that can ensure the availability of core services for Hawaii's needy families. However, your Committee on Conference remains aware of the lingering operational deficiencies from prior years and the limitations that have left many programs short-staffed and over-extended in several service areas. These deficiencies have ultimately led to limited accessibility for those eligible to receive assistance and operational inefficiencies that hamper the State's ability to maintain service levels. To address these concerns, your Committee on Conference has restored critical positions throughout the Department to help accommodate the growing demand for services and restore program operations to levels that are both sustainable and capable of maintaining essential coverage for those most in need. To this end, your Committee on Conference has established ten positions and provided \$577,723 for vocational and rehabilitation services, two positions and \$89,280 to reestablish a Kona office in the Supplemental Nutrition Assistance Program, fifteen positions and \$434,108 for eligibility positions in the MedQUEST Division, nineteen positions and \$1,375,190 for the rental housing services, and \$685,500 in supplemental payments for the aged, blind, and disabled.

#### Health

Your Committee on Conference understands the importance of health care and the services that protect the well-being of people in Hawaii. The Department of Health absorbed significant budget cuts in prior years and has assisted in identifying savings with minimal impact to core health services. Your Committee on Conference is supportive of the Department's proposal to realign resources where necessary; however, your Committee on Conference is also mindful of the large number of transfers of resources requested each year by the Department. Your Committee on Conference advocates for a sustainable structure that limits the number of transfers made by the Department each year.

Your Committee on Conference is conscious of the childhood obesity problem on our islands. Hawaii's childhood obesity rate has continued to increase over the past decade, with higher prevalence and severity in underserved communities. Obesity is linked to many chronic health conditions as well as increased health care costs. Consequently, your Committee on Conference understands that this is an issue that requires a well-planned and sustainable approach. Thus, your Committee on Conference has provided \$250,000 in tobacco settlement special funds to support the establishment of a childhood obesity and diabetes program. This program will increase the level of obesity and diabetes-related services, promote awareness, enhance research and data collection, and create a task force to develop long-term solutions to this growing problem.

The Department's State Planning and Development Agency (SHPDA) promotes access to high quality health care at reasonable costs. To this end, it investigates health care costs, promotes cost-saving techniques, and coordinates health planning for the State. The program administers and utilizes certificate-of-need applications and fees to accomplish these goals. Given the uncertain nature of SHPDA's program revenue from current applications and fees, your Committee on Conference maintained SHPDA positions with general funds until the program is able to sustain itself through revenue collection.

#### Hawaii Health Systems Corporation

Your Committee on Conference recognizes the Hawaii Health Systems Corporation's (HHSC) role as a principal health care provider to Hawaii's most vulnerable citizens and visitors, especially those on the neighbor islands. HHSC is under increasing pressure as health care costs continue to rise while federal and private reimbursement rates decline.

The administration's budget request included a \$10,100,664 general fund reduction to account for HHSC's projected labor savings. However, since HHSC is a twenty-four-hour a day operation, this projected savings amount cannot be met. As such, your Committee on Conference fully restored this labor savings reduction to enable HHSC facilities to sustain operations.

HHSC's Electronic Medical Records project is set to go live in February 2013. This federally-mandated change will help hospitals, physicians, insurance companies, and other health care providers to easily retrieve information with patient files kept electronically and safely stored. HHSC set an ambitious implementation plan in order to receive \$10,000,000 in Medicare incentive payments over a four-year period. In addition, HHSC projected costs of \$57,000,000 over the next five years for this priority.

The Department of Human Services currently utilizes HHSC's certified losses from Medicaid, QUEST, and uninsured patients as the basis for drawing down additional federal dollars from the Medicaid program. A portion of these amounts are then distributed to the private hospitals to mitigate their uncompensated care losses and to provide them with Medicaid disproportionate share hospital payments.

Your Committee on Conference recognizes the importance of state and private hospitals in providing access to health services for Medicaid beneficiaries. Moreover, your Committee on Conference encourages further discussion between HHSC, the Department of Human Services, and private hospitals to develop methods to maximize the amount of federal dollars received for uncompensated care, perhaps enabling HHSC to retain part of the amount currently used to support private hospitals.

#### Education

Your Committee on Conference remains concerned with the Department of Education's management of state funds in relation to its ability to achieve general learner outcomes for all public school students and adequately prepare Hawaii's youth for post-secondary education and careers. Your Committee on Conference finds it contrary to the Department's mission to regularly use funds intended for the classroom and student achievement to fund administrative and support services shortfalls.

To be clear, your Committee on Conference believes funds provided for public education are generally best directed for expenditure by schools. During the Department's January 19, 2012, briefing on its supplemental budget request, discussion centered on the Department's goal for the proportion of appropriations that should be expended at the school level. Through its reaction during the briefing and subsequent written response, the Department made clear that it has no such goal.

Your Committee on Conference finds that the concept of school directed expenditures is the preferred method for administering state resources. This concept is ingrained in state law as section 302A-1301(b), Hawaii Revised Statutes, which requires that:

Not less than seventy per cent of appropriations for the total budget of the department, excluding debt service and capital improvement programs, shall be expended by principals.

Your Committee on Conference understands that several aspects pertaining to how funds are budgeted for the Department have changed over the years. Nonetheless, your Committee on Conference is confounded by the Department's apparent disregard or ignorance of laws that govern it. Your Committee on Conference firmly believes that it is the responsibility of the Department to review laws that govern it and adhere to them.

The administration's request to increase the weighted-student formula (WSF) general fund appropriation by \$13,557,502 for enrollment growth comes on the heels of a large reduction the Department, itself, imposed on the program. The Department reduced WSF by \$7,780,000 through its allocation of a \$16,400,000 budget reduction. While the Department requested that the initial reduction be placed entirely in school based budgeting (EDN100), purportedly for flexibility to manage the amount administratively, your Committee on Conference expected that schools would be prioritized. Unfortunately, your Committee on Conference finds that WSF shouldered a substantial portion of the reduction. Your Committee on Conference has significant concerns regarding the amount of the reduction apportioned to the classrooms and the logic of then requesting additional funds for the same purpose. Your Committee on Conference further finds that the Department has historically transferred money out of WSF to cover shortfalls in other programs and has used general fund savings generated from federal dollars designated for WSF to finance the distended and highly-criticized student transportation contract costs.

Your Committee on Conference has expressed concerns about the Department's transfer of funds in the past and expects that the Department will follow through with its assurances that funds added to WSF in this supplemental budget will be allotted directly to the schools. To ensure that this pledge is upheld, your Committee on Conference has inserted a proviso into this measure that explicitly prohibits the Department from transferring funds out of the school-based budget program identifier (EDN 100). Your Committee on Conference believes that this proviso, in conjunction with legislative measures that compel the Department to expend funds as the Legislature intended, will finally result in WSF appropriations being wisely used to invest in Hawaii's future.

In accordance with the concept that state funds are best spent at the school level under the direction of principals, your Committee on Conference provided \$14,000,000 for the WSF. This funding will increase the amount provided to schools from between \$74.39 and \$86.44 per student, depending upon weighting factors. This translates into tens of thousands and, in some cases, hundreds of thousands of dollars for each school, based largely on student enrollment.

This appropriation for the WSF is not based on projected enrollment or prior funding levels for the Department. It is an additional amount, surpassing that which was requested by the Board of Education and the Governor, that your Committee on Conference is able to provide for student education. It is your Committee on Conference's intent that the entire amount of this appropriation be spent by principals in the classrooms.

Distinct from your Committee on Conference's dedication to providing the resources necessary to achieve quality education in the classroom, is your Committee on Conference's unwillingness to fund unfettered bus contract price costs in the amount of \$42,000,000 in general funds, as requested by the Department. During the 2011 Regular Session, the Legislature adamantly rejected the Department's request for \$19,582,270 for student transportation contract costs for fiscal year 2012-2013. Further, the Legislature reduced an additional \$20,000,000 for non-mandated student transportation costs, effectively eliminating its budget for these services. The Legislature then required the Department to complete a comprehensive analysis to assess alternatives and various options and to evaluate needed service levels in all districts in order to provide sufficient justification for transportation services. Unfortunately, despite the Legislature's efforts to promote prudent spending practices and fiscal accountability, the Department has produced scant viable options to significantly reduce contract costs and initiate change in their operations.

Under the terms of the current bus contracts, as negotiated between the Department and bus companies, the cost to transport students to and from school is \$79,000,000 per year, which translates to about \$1,251 per child annually, or \$7.00 per child per day. Taxpayers are responsible for over ninety-six per cent of these costs. Further, because families pay only 50 cents per day for their child to ride the bus, the State is thereby subsidizing each student an average of \$6.50 per day for student transportation services. Clearly, operating school buses under such terms is neither sustainable nor prudent.

Your Committee on Conference is troubled by the Department's lack of action and disturbed by its recent pontifications that it will cease services to communities throughout the State if it is not provided additional funds. Not only were the Department's statements premature and speculative, but they failed to convey alternatives available to the Department to reduce costs and demonstrate the Department's failure to appreciably control such expenses. It is the Department that has allowed student transportation costs to spiral out of control under the misguided notion that the State would simply provide it with more money to pay for these costs. Your Committee on Conference finds that the Department has inefficiently spent millions of dollars on student transportation services. These misspent funds could have been used to fund other worthy programs.

However, your Committee on Conference is aware that student transportation services generally provide a safe and convenient option for getting students to school and are heavily relied upon in several areas of the State. Thus, your Committee on Conference has fully funded the Governor's requested amount of \$25,000,000 in general funds to provide student transportation services. The availability of this funding is conditioned upon a needs-based assessment of routes and the Board of Education's determination of which routes to fund. Your Committee on Conference notes that the \$25,000,000 provided for fiscal year 2012-2013 is twenty per cent more than the funding provided for the current fiscal year for non-mandated student transportation costs.

Adult education plays an integral role in improving the quality of life for many of Hawaii's residents. Services offered through the adult education program work to increase literacy rates statewide and help to provide individuals with degrees, career path opportunities, and workplace development. Unfortunately, fiscal conditions from the recent recession eventually led to an elimination of the Department's allotment to the adult education program for fiscal year 2012-2013. Without state support, adult education is at risk of losing its federal dollars as well.

Your Committee on Conference appreciates the valuable services adult education provides and recognizes the considerable amount of effort the program's project managers have made to reduce operation costs without compromising service levels and course offerings. As such, your Committee on Conference has provided \$2,500,000 in general funds to support the community school for adults program operations and maintenance of effort requirements.

In 2010, the federal government enacted the Healthy Hunger-Free Kids Act, initiating significant improvements to school meal and child nutrition programs. These programs provide low-income children with increased access to healthy food. The Act mandates states to increase student meal prices to correspond with the rates subsidized by the United States Department of Agriculture (USDA) to encourage program integrity and discourage the use of subsidized meal prices for students outside the low-income eligibility rates. While your Committee on Conference agrees with the USDA's goal to better regulate federal subsidies, it cannot be ignored that the slow recovery of our nation's economy has placed many families just beyond eligibility for a free or reduced-price meal for their children.

During the 2011 program review, the Department indicated that by increasing student meal prices from \$1.00 (elementary) and \$1.10 (secondary) to \$1.70 (elementary) and \$1.85 (secondary) for breakfast, and from \$2.25 (elementary) and \$2.50 (secondary) to \$3.10 (elementary) and \$3.35 (secondary) for lunch, Hawaii will have made the total required increase for the Healthy Hunger-Free Kids Act and will generate an additional \$6,100,000 in special fund revenues. Your Committee on Conference recognizes the Department's efforts to comply with the USDA requirements and state program review initiatives, but is concerned with the impact such a substantial increase will have on families just outside income eligibility requirements for free and reduced meals. Accordingly, your Committee on Conference has implemented just half of the requested \$6,100,000 general fund reduction to allow for a transition to the higher student meal prices. The additional \$3,050,000 in general funds provided to the Governor's requested budget will mitigate the need to fully raise student meal prices and the financial pressure higher meal prices will place on families.

Your Committee on Conference is concerned with the levels of student achievement in the State's public schools. In December of last year, the State was admonished by Race to the Top officials for its significant lack of progress in the first year of the \$75,000,000 four-year federal grant. Federal officials put the State on "high-risk" status and cited "unsatisfactory delays" and a lack of urgency in the implementation of the education reforms Hawaii had committed to upon receipt of the grant. Other federal education dollars will soon be scrutinized for sequestration in Congress' Budget Control Act and comparable deficit reduction strategies. It would be most unfortunate to lose federal funds that have already been awarded. As such, your Committee on Conference cautions the Department against any future delays that may result in the retraction of the remaining award and encourages the Department to accelerate progress on its commitments to the Race to the Top grant program.

Finally, your Committee on Conference cautions the Department that the appropriations made by this Legislature are all the resources it will have for fiscal year 2012-2013 and thus expects the Department to plan accordingly. The Department's inaccurate enrollment projections or failure to take appropriate action to reduce student transportation costs are not compelling reasons for the Legislature to grant the Department an emergency appropriation.

#### Charter Schools

Prior to the start of this Regular Session, Hawaii's public charter school system underwent a performance audit and governance overhaul by two separate state entities. The Auditor rebuked charter schools as misinterpreting state law, misusing funds, and having "autonomy without accountability." Around the same time, the charter school governance, accountability, and authority task force conducted a comprehensive review of the relationships, responsibilities, and lines of accountability and authority among stakeholders of Hawaii's public charter school system, pursuant to Act 130, Session Laws of Hawaii 2011. Both entities determined that in order to improve the charter school program's integrity and ability to meet performance objectives, significant changes would have to take place.

Funding for charter schools is premised on the concept of providing operating funds in an amount equal to that provided by the Department of Education for regular education students on a per pupil basis. Your Committee on Conference finds the Department of Budget and Finance's calculation for this funding amount for fiscal year 2012-2013 to be in error, double counting certain facility related costs within the Department of Education budget. The Department of Budget and Finance also used a reduced projected enrollment of 9,973 for charter schools in its calculations.

Your Committee on Conference has provided \$1,032,152,385 for all regular education cost categories to the Department of Education. This amount does not include funding for special education services and adult education. The Department of Education has a projected enrollment of 174,332 students for fiscal year 2012-2013. This equates to a funding amount of \$5,920.61 per student.

Your Committee on Conference used the charter schools' projected student enrollment of 10,431 in its calculation of an appropriate funding level. Using this enrollment figure, the charter schools' appropriation must be \$61,757,919 to achieve a per pupil funding amount equal to regular education students. Thus, your Committee on Conference has denied an executive request to reduce the charter schools' budget by \$76,008 and has instead provided an additional \$432,302 in general funds to achieve this end.

In developing the budget for charter schools, your Committee on Conference finds that projected student enrollment and comparable funding for charter school and regular education students has been an ongoing point of contention for many interested parties. Your Committee on Conference believes that the validity of using the charter schools' projected enrollment figure to calculate charter school funding should be reassessed during the next regular session of the Legislature. To ensure that funding amounts provided for regular education and charter school students on a per pupil basis are equal, your Committee on Conference has required the Director of Finance to make an appropriate adjustment based upon actual student enrollment that will account for

any errors in student enrollment projections.

#### University of Hawaii

The University of Hawaii system is the State's premier institution for higher education, a nationally recognized research university, and a local economic driver. While the University system is experiencing unprecedented increases in enrollment across all campuses, your Committee on Conference recognizes its ability to accommodate its growing student population through tuition revenue.

The University of Hawaii West Oahu (UHWO) will open the new Kapolei campus this fall. The campus will serve as a convenient, alternate campus to university students living on the west side of the island, with similar general education courses and future specialized concentrations such as allied health services, health care administration, and media. Your Committee on Conference supports the campus' goal of raising the educational and economic attainment levels in the West Oahu region.

Your Committee on Conference understands the importance of increasing the enrollment and graduation rates of native Hawaiian students throughout the University system. In accordance with this goal, your Committee on Conference commends the success of the Na Pua Noeau program, an educational enrichment and college preparatory program for native Hawaiians in grades K-12. Through site visits, leadership programs, and other learning activities, this program has maintained a long-standing history of successfully increasing the native Hawaiian admission and graduation rates within the University system. Thus, your Committee on Conference has provided eighteen positions and \$700,000 in funds to expand and institutionalize Na Pua Noeau statewide. This will allow the program to provide outreach to more students, enhance science, technology, engineering and math (STEM) activities, and provide better coordination among all the University of Hawaii campuses.

Your Committee on Conference is concerned with the University's growing maintenance backlog and reliance on general funds and general obligation bond funds for capital renewal needs. To address immediate capital renewal needs, your Committee on Conference has provided eleven positions and \$600,000 in special funds for the University to recruit additional personnel to implement repairs more efficiently. In addition, your Committee on Conference has required the University to submit a report detailing a long-term expenditure plan on funding its capital renewal needs through the use of its own revenues.

Your Committee on Conference is aware of the overcompensation of funds for furlough restoration that the University received last year. For fiscal years 2011-2012 and 2012-2013, this restoration amount equates to nearly \$12,000,000 more than the preceding year's furlough reduction amount. In addition, the University of Hawaii Professional Assembly (UHPA) fringe related costs due to UHPA's salary snapbacks and paybacks will cost the State an additional \$3,096,600 for fiscal year 2012-2013. Rather than reduce these amounts from the University budget, your Committee on Conference has allowed the University to retain these funds, at this time, in order to fund its strategic goals and priorities.

#### Budget and Finance

Fixed costs such as debt service, retirement system, and health benefit payments comprise one-third of the State's total general fund budget. These components require annual adjustments based upon assumptions for interest rates, payroll growth, and membership growth, which are beyond your Committee on Conference's ability to modify on a near term basis.

The Department of Budget and Finance continues to confront fiscal challenges and operational deficiencies wrought by the previous administration. Tasked with the broad scope of managing the state budget and effectively allocating state resources, the Department has spent the last year reprioritizing operational functions and fostering sustainable levels of service delivery. This has proven to be a significant undertaking, and the Department has struggled to meet national reporting requirements due to the absence of prior year financial statements and loss of staff. In the Hawaii Employer-Union Health Benefits Trust Fund (EUTF) program, a delay in the fund's audit contributed to the delayed issuance of the State's comprehensive annual financial report upon which bond issuances and credit ratings are based.

As of July 1, 2009, the EUTF had a total unfunded actuarially accrued liability (UAAL) of \$14,546,500,000, the State's portion of which was \$11,523,300,000. In order to amortize the UAAL, the State would have had to dedicate \$441,400,000 for the annual required contribution, beginning fiscal year 2008-2009. Unfortunately, the State did not have the ability to fund a corpus of that magnitude then or at any time since. The reality of today's fiscal limitations and the need to maintain core services across numerous state agencies have necessitated that state funds be committed elsewhere.

However, your Committee on Conference recognizes the potential foresight and advantages of setting aside money towards the annual required contribution for the EUTF. It is critical to the long-term viability of the EUTF and the State to implement reforms that moderate the public employer health benefits contributions for active and retired members while maintaining sufficient benefits coverage. To this end, your Committee on Conference has provided \$100,000 to commission a study on improving the financial health of the EUTF. This study will address the UAAL and explore the possible implementation of reforms to develop a solvent and sustainable funding source for the EUTF.

The treasury branch experienced considerable delays in processing temporary deposit receipts (TDR) following the reduction-in-force in fiscal year 2009-2010. Processing time for TDRs increased from one or two days to forty-two days and resulted in restricted access to state funds for several agencies. Your Committee on Conference finds that the Department's current staffing level is not operationally sustainable and, thus, has restored the needed position and funding.

Most funds available under the American Reinvestment and Recovery Act (ARRA) will be used by the close of fiscal year 2012-2013. In an effort to ensure the proper closure of remaining ARRA grants, your Committee on Conference has reestablished positions and provided funds for the Office of Economic Reinvestment and Recovery. Your Committee on Conference understands that these positions will help the State to meet ARRA expenditure reporting requirements in a timely manner and avoid unnecessary penalties from the federal government.

The retirement benefit changes established pursuant to Act 163, Session Laws of Hawaii 2011, necessitated major changes in the State's existing Employees' Retirement System (ERS) software. The State's pension administration system contract requires that all programming changes be contracted through the vendor, otherwise voiding the system's warranty. Your Committee on Conference has been assured that the quoted sum of \$6,033,000 in other funds is a realistic estimate, after having monitored cost of service in the private sector and reviewed the extensive services necessary to implement the change. As such, your Committee on Conference has fully funded the request for the ERS' system reprogramming needs.

The Hawaii EUTF has also been tasked with significant changes in benefits plans and has had to expand the scope of the EUTF software to not only include civil unions but also transition in Hawaii State Teachers Association members formerly covered under a voluntary employee beneficiary association. The Department has reported that the need to make these changes in a timely manner has overextended staff and created challenges in retaining employees. As such, your Committee on Conference has established thirteen positions and provided \$300,000 to address the operational deficiencies in the EUTF program.

In accordance with the Governor's initiative to right-size government, the 2011 Legislature required the Department to identify \$50,000,000 in program review savings for fiscal year 2011-2012 and fiscal year 2012-2013 and approximately \$88,200,000 in labor savings, across all departments. The Department managed the program review reduction by requesting proposals that met targeted savings amounts from each of the departments and submitted the statewide program review to this Legislature. Labor savings transferred into state retirement benefits program were reported as:

\$69,500,000 for fiscal year 2011-2012 and \$69,560,000 for fiscal year 2012-2013 in direct labor savings reductions from state departments; and indirect labor savings of \$18,700,000 for fiscal year 2011-2012 and \$18,640,000 for fiscal year 2012-2013 in indirect labor savings [based] upon revised projections for pension accumulation contributions and Social Security/Medicare costs resulting from lower gross direct labor costs for fiscal years 2012 and 2013.

However, the delayed implementation of the 2011 legislative adjustment to the state contribution amount from a 60/40 per cent (employer/employee) split to 50/50 for health benefit premiums resulted in additional EUTF costs for the first five months of fiscal year 2011-2012. As such, your Committee on Conference has provided \$1,738,963 in general funds for fiscal year 2011-2012 to adjust for these costs. Concurrently, the decrease from fourteen days of directed pay without leave in fiscal year 2011-2012 to thirteen days for fiscal year 2012-2013, in accordance with bargaining unit (1)'s revised contract, necessitated further adjustments to the departmental administration program. As such, your Committee on Conference has provided approximately \$2,500,000 in all means of financing for fiscal year 2011-2012 and approximately \$3,600,000 in all means of financing for fiscal year 2012-2013 to adjust for this change.

#### Public Safety

Hawaii's dependence on out-of-state prisons has been a cause for concern for the last several years. As of 2011, approximately one-third of the State's adult prison population is incarcerated outside of Hawaii. As a result, approximately \$50,000,000 is expended in mainland municipalities each year rather than in the local economy. To date, State efforts to reduce the use of out-of-state prisons have been limited.

In June 2011, efforts began pertaining to the Justice Reinvestment Initiative (JRI), a multi-state plan to reduce incarceration and recidivism rates through strategic data-driven policy development and public safety system investments. The goal is to bring incarcerated inmates back to Hawaii and appropriately prepare inmates for release.

From a financial perspective, your Committee on Conference supports the JRI and believes the strategic programs detailed in the Department of Public Safety's supplemental budget request will help the State achieve its JRI objectives. However, your Committee on Conference has concerns regarding the Department's ability to achieve its savings targets. Your Committee on Conference has reduced the proposed scope of the initial investment in the initiative and approved a transfer of \$3,362,759 in general funds from Non-State Facilities funding to various Public Safety programs as well as to the Judiciary and counties in order to expand and establish programs corresponding to JRI.

Your Committee on Conference is aware that cooking equipment at various detention facilities is outdated and parts are no longer available for repairs and maintenance. Your Committee on Conference has provided \$291,000 in general funds for the replacement of the outdated equipment. It is your Committee on Conference's intent that these funds will ensure that inmates receive higher quality meals that will, in turn, improve their health.

In 2011, a new community standard for the Hepatitis C treatment was established with a markedly higher effectiveness rate than other available treatments. Your Committee on Conference believes that the Department should adhere to this new community standard to improve the health of those infected and reduce transmission rates in prisons. To this end, your Committee on Conference has provided \$1,216,000 in general funds for Hepatitis C treatment for incarcerated inmates. This funding will provide for a new higher standard for the prison population and provide hope to those that have not responded well to previously available treatments.

#### Land and Natural Resources

Despite previous budget reductions, the Department of Land and Natural Resources has remained committed to protecting, conserving, and managing Hawaii's unique and limited natural, cultural, and historic resources.

The Department is planning to merge the Division of Aquatic Resources and the Division of Forestry and Wildlife into a single land management system based on the traditional Hawaiian Ahupuaa approach, where one division would administer the entire region and its resources running from the mountains to the ocean. No organizational changes appear in the current supplemental budget, as the Department plans on formalizing the merger in the next fiscal biennium. Your Committee on Conference is concerned about the merger's impact on Hawaii's local farmers and fishermen as well as on its water supply, including its irrigation systems, reservoirs, dams, and watersheds. Therefore, your Committee on Conference looks forward to receiving more information and a comprehensive implementation plan from the Department on these important proposals prior to actualizing any changes.

Your Committee on Conference understands the Department's role in maintaining Hawaii's most valuable assets. Hawaii's fresh water supply is not inexhaustible and is susceptible to local and global environmental changes. As such, it requires prudent management and protection. Only ten per cent of priority watersheds in the Hawaiian islands are currently protected. Through its watershed partnership program, the Department has identified high priority areas that remain unprotected. Since fence construction is the largest cost in protecting watersheds, your Committee on Conference has provided \$3,000,000 in general obligation bond funds, in addition to \$2,500,000 in special funds, to help administer the program and increase the protection of priority watersheds throughout the State.

While your Committee on Conference recognizes the goal of the ten-year watershed initiative plan in safeguarding water resources for future generations, your Committee on Conference is also cognizant of the fact that this will be the first year of the watershed initiative plan. As such, your Committee on Conference has required the Department to submit a detailed status report outlining implementation, funding, and any complications in advancing the initiative.

Your Committee on Conference is aware of the damage to state lands during the March 2012 storms. After considering the amount of damage assessed by the Department, your Committee on Conference has provided \$1,000,000 in special funds to address rock fall abatement and other needs.

In response to the Governor's emergency proclamation of April 14, 2011, the Department has been working on relocating over four hundred Nene geese near Lihue Airport on Kauai due to aviation safety issues. In light of their need for more resources, your Committee on Conference has provided eleven positions and \$800,000 in interdepartmental transfer funds from the Department of Transportation. The Department's Nene relocation plan covers a five-year period and requires \$800,000 per year for the remaining four years in order to safely capture, relocate, and ensure the survival of this endangered species.

Your Committee on Conference is cognizant of the Federal Communications Commission mandate that requires the narrow banding of all state agencies' very-high frequency radio systems. Your Committee on Conference commends the Department for assessing their remaining wideband radio inventory and determining the level of support needed to adhere to this mandate. Thus, your Committee on Conference has provided \$750,000 in general funds for the Department to finish updating their green net radio system by January 1, 2013, in order to avoid federal penalties.

Your Committee on Conference also understands the importance of integrating information technology into existing statewide systems to increase access, transparency, and cost savings in the future. To this end, your Committee on Conference has provided \$400,000 to digitize land documents, of which \$200,000 will be transferred to the Department of Accounting and General Services for a two- to three-year initiative for digital archiving.

Your Committee on Conference acknowledges the Public Land Development Corporation's need for additional resources in order to serve as a liaison for public-private land partnerships. Thus, your Committee on Conference has provided three positions and \$350,000. In addition, due to increasing demand for geothermal energy resources, your Committee on Conference has provided two positions and \$287,935 for geothermal management functions in Water and Land Development.

#### Agriculture

Agriculture is an integral part of Hawaii's history and goal to achieve a more diversified economy. Your Committee on Conference is dedicated to promoting agricultural self-sufficiency, conserving farmland resources, and preventing the establishment of invasive species statewide.

Your Committee on Conference recognizes the importance of keeping water available and affordable to all classes of consumers across the State. The State's irrigation systems, some having existed for over a century, require continual repair, maintenance, and upkeep. The irrigation systems program is short-staffed, delaying repairs and maintenance that will only increase future costs. As such, your Committee on Conference has provided five irrigation positions and changed the means of financing from revolving funds to special funds for six positions serving the systems on the islands of Oahu, Molokai, and Hawaii. In addition, your Committee on Conference has converted two positions from temporary to permanent for the creation of the Agricultural Infrastructure Branch to help manage irrigation systems and other infrastructure resources statewide.

Your Committee on Conference is aware that prior year reductions have negatively impacted the management of invasive species in Hawaii. Your Committee on Conference is also aware that certain federal aviation grants and fee deposits are terminating. To mitigate these effects, your Committee on Conference has provided nine positions and \$215,568 in general funds for Plant Quarantine inspectors located at Kahului Airport, and has changed the amount and means of financing for twenty positions from \$1,562,938 in special funds to \$1,116,384 in general funds, in accordance with the United States Department of Transportation's ruling which terminated the deposit of cargo fees by air carriers into the pest inspection, quarantine, and eradication fund.

Your Committee on Conference realizes the significance to quality and price assurance of inspecting and evaluating food commodities. Due to an increase in food safety issues, your Committee on Conference has provided two positions and \$169,859 to inspect and audit food for proper safety standards.

Your Committee on Conference has also provided two positions and \$139,322 for the creation of the Agricultural Land Branch in the Agricultural Resource Management Division of the Department of Agriculture, which will manage the Department's land resources, including agricultural park and non-agricultural park lands.

Your Committee on Conference acknowledges the personnel challenges faced by the Department's Measurement Standards Branch and recognizes the importance of inspecting the accuracy of scales, gas pumps, and taxi meters. Due to severe budget cuts and attrition resulting from retirement, the Measurement Standards Branch is currently left with only one active inspector and one worker on extended leave. As such, your Committee on Conference has provided four positions and \$420,000 to include regular inspections statewide and to effectively implement quality assurance in the State.

#### Business, Economic Development, and Tourism

Last year, your Committee on Conference expressed concerns regarding the Department of Business, Economic Development, and Tourism's habit of reorganizing through the budget without consulting the unions. Commensurate with these concerns, the Legislature denied transfers that would affirm the reorganization in the budget and urged the Department to postpone implementation until a formal reorganization process was initiated. The Department responded by working with the appropriate union officials and the Department of Budget and Finance to develop an implementation plan that incorporated input from all affected parties and, pursuant to Act 164, section 122, Session Laws of Hawaii 2011, submitted a report to the Legislature detailing the reorganization process. By the Department's efforts, your Committee on Conference finds that last year's concerns have been addressed. Therefore, your Committee on Conference has approved the transfers of positions and funds that reflect the Department's reorganization plan for fiscal year 2012-2013.

The presence of unexpended grant funds in the United States Department of Energy has permitted states, including Hawaii, to modify energy grant awards and extend federal funding to the end of this calendar year. Your Committee on Conference continues to support the Department's strategic involvement in this growing industry and has authorized the expenditure of \$1,423,814 in federal stimulus funds for state energy projects in accordance with the State's successful grant extension.

#### Commerce and Consumer Affairs

Your Committee on Conference recognizes the Department of Commerce and Consumer Affairs' need to be current and compliant as it pertains

to licensing and information technology in order to offer secure and uninterrupted services. The Department's computer operating software has not been updated in ten years. The State has been informed that if updates are not administered by April 2014, the Professional and Vocational Licensing Division's computer operating system will become outdated and unable to support future upgrades from the system's vendor.

Your Committee on Conference is concerned about the repercussions this may cause to the applicant licensee integrated automated system (ALIAS), which is dependent on the computers in the Professional and Vocational Licensing Division. An interruption in ALIAS operations would severely affect state functions and could adversely impact the over three hundred thirty thousand licensees, from over forty-seven different professions that the system serves. To address this concern, your Committee on Conference has provided \$400,000 from the compliance resolution fund for the purchase of services and software related to ALIAS updates. Your Committee on Conference has approved an additional \$205,000 from the compliance resolution fund for information technology improvements, including the replacement of seven-year-old servers that have exceeded their warranty, and for subscription to a disaster recovery service.

In compliance with Act 208, Session Laws of Hawaii 2010, your Committee on Conference has provided two positions and \$114,532 to support and process the new registration requirements placed upon individual security guards. Initial funding provided from the compliance resolution fund will be reimbursed using fees collected from individual guards.

Your Committee on Conference has authorized expenditure increases to accommodate increased incidental costs of the Department. To address maintenance fee increases from the Department of Accounting and General Services, your Committee on Conference provided \$117,341 in compliance resolution funds. Your Committee on Conference has also provided \$350,000 in compliance resolution funds to cover management and financial audits required by Act 19, Session Laws of Hawaii 2011, which requires the operation, supervision, and management of programs of public, educational, and government access facilities.

#### Attorney General

To support the Department of the Attorney General's operations, your Committee on Conference has provided \$115,000 for the maintenance and operating costs of the automated fingerprint identification system and the juvenile justice information system. Both systems allow various government officials to identify criminal offenders and spread information about missing children. In addition, your Committee on Conference has provided \$72,000 to ensure the prompt handling and recording of child support payments.

Your Committee on Conference is concerned that funding shortages could result in the loss of needed services for sex assault victims. As such, your Committee on Conference has provided \$466,140, which will support an expiring grant-in-aid for sex assault services available through Kapiolani Medical Center.

Your Committee on Conference understands that prior reductions have inhibited the Department's ability to fill positions. The Department must hold a significant portion of its positions vacant in order to meet savings targets. Accordingly, your Committee on Conference has provided \$100,000 to enable the Department to fill critical positions in its legal services division. An additional \$140,000, matched on a two-to-one basis from federal sources, is provided to child support enforcement services for similar purposes. Your Committee on Conference notes that it has directed the Director of Finance to require that all executive agencies provide more accurate budget information that clearly delineates how funds are projected to be used so that legislators can make informed budgetary decisions.

#### Accounting and General Services

The Department of Accounting and General Services is responsible for producing the State's comprehensive annual financial report (CAFR). The CAFR is generally expected to be produced six months after the end of the fiscal year. However, Hawaii's CAFR was subject to delays of fourteen months for fiscal year 2009-2010 and eight months for fiscal year 2010-2011. Timely submission of the CAFR is important to numerous state agencies and is used in determining state bond ratings. Thus, your Committee on Conference has provided \$80,000 in general funds to hire an accounting firm for consultant services to ensure timely production of the CAFR.

Your Committee on Conference recognizes the important role information technology has in state government operations. Strategic implementation of information technology initiatives can facilitate faster service delivery, increase transparency, and generate savings by reducing operational inefficiencies. The State's new chief information officer is in the process of developing the State's information technology strategic plan to transform Hawaii's information technology infrastructure.

The administration's highest priority initiative concerns repairs and updates to state systems in need of immediate attention for security or audit reasons. In furtherance of this project and others, your Committee on Conference has provided four positions, and \$10,300,000 in general funds to the Information and Communication Services Division for Office of Information Management and Technology projects (OIMT). The OIMT projects fall into three categories: triage, pilots, and business process and information technology reengineering. This level of funding will provide the chief information officer with the flexibility to implement projects with continued input from stakeholders, including legislators and state departments.

Your Committee on Conference understands that economic conditions have caused a significant rise in energy costs. Despite state efforts to reduce energy usage, increases in electricity and utility rates have driven state utility costs beyond the Department's authorized budget. Thus, to accommodate cost increases, your Committee on Conference has provided \$4,769,000 in general funds to Central Services for rising energy and sewer costs and carry-over costs from fiscal year 2011-2012 shortfalls.

On March 8, 2012, the State's Reapportionment Plan was challenged in the United States District Court for the District of Hawaii. Your Committee on Conference has provided \$1,090,612 in general funds to support the Office of Elections and the Reapportionment Commission in the event that additional consulting services are needed to redraw the district lines.

#### Transportation

Your Committee on Conference supports the Department of Transportation in its oversight and maintenance of the State's airports, harbors, and highways. Your Committee on Conference provided funds for debt service payments for both the airports and highways to support modernization and refurbishment projects.



Your Committee on Conference is aware that rising energy costs have created a shortfall in the Department's ability to meet airport utility needs. The lack of funds has caused various projects to be canceled or postponed. As such, your Committee on Conference has authorized \$17,160,000 in special funds to cover the deficit in utility costs, thereby eliminating the need to shift funds to manage shortfalls and to enable queued projects to resume.

Oahu highways are currently maintained by landscapers and general laborers. However, due to the varying skill-sets required for different services, the Department is limited in its ability to efficiently dispatch staff. The multi-skilled worker program allows a team of workers to be cross-trained in various skills, thereby improving the ability of existing staff to respond to multiple types of maintenance calls and improve overall response times. Your Committee on Conference commends the Department's efforts to increase efficiency through the multi-skilled worker program and has provided \$1,646,708 in special funds for this purpose.

Recognizing the extensive damages that recent heavy rains and flooding have caused throughout the State, and the urgency in which emergency response services must be developed and implemented, it is critical to designate funding in fiscal year 2012-2013 for essential clean-up and amelioration services needed across the islands. Although the full extent of damages cannot be assessed at this time, your Committee on Conference believes it prudent to provide \$2,000,000 in special funds to the Department to aid public highways.

#### Defense

The Department of Defense is uniquely situated to draw down significant sums of federal funds. As such, your Committee on Conference has provided \$167,500 in general funds that will draw down \$502,500 in matching federal funds to assist with modernization projects, including a twenty-five-meter zero range at Keaukaha on Hawaii Island and electrical system infrastructure developments at Kalaeloa on Oahu.

Your Committee on Conference recognizes the importance of supporting postsecondary education for the members of the Hawaii Army and Air National Guard. As such, your Committee on Conference has provided \$150,000 in general funds to reestablish the State of Hawaii National Guard tuition assistance program with the goal of boosting recruitment, which had experienced significant declines following the loss of tuition assistance funding.

#### Labor

Your Committee on Conference is concerned with the operations of the Department of Labor and Industrial Relations Hawaii Occupational Safety and Health Division, which faces a large outstanding backlog with limited staff. Thus, your Committee on Conference has provided for the addition of ten positions and the transfer of twelve positions from general funds to special funds to address the pressing issue of elevator and boiler safety.

Your Committee on Conference is aware that the loss of positions has made the Department's daily operations more difficult. Among these were investigator positions for the Civil Rights Commission, which were abolished in the reduction-in-force in fiscal year 2008-2009. Accordingly, your Committee on Conference has provided funding to establish two half-time investigator positions. These investigators will process housing and equal employment opportunity complaints, thus reducing current caseloads.

#### Hawaiian Home Lands

Your Committee on Conference recognizes the need to assess the modernization and digitization of the Department of Hawaiian Home Lands' database and records. Digitization can potentially generate cost savings for the Department, provide easy access to useful information for other state agencies, and expedite the placement of qualified applicants into homesteads. Your Committee on Conference encourages the Department to work with the chief information officer to further this goal.

Your Committee on Conference recognizes that Act 14, Special Session Laws of Hawaii 1995, settled all claims made on behalf of the Hawaiian Home Lands Trust against the State between August 21, 1959, and July 1, 1988. The final \$30,000,000 annual settlement deposit will be received in 2014. The ability of the Department to carry out its mission in the absence of these funds has been a continued concern of the Legislature. Your Committee on Conference finds that the Department has yet to provide a financial report outlining its proposal to fund operations following the discontinuation of settlement funds, as provisioned in prior years. Your Committee on Conference strongly recommends that a report be produced for the benefit of both the State and the Department of Hawaiian Home Lands, as most recently required by Act 164, Session Laws of Hawaii 2011.

#### Human Resources Development

Your Committee on Conference acknowledges the Department of Human Resources Development's requested reduction of \$510,000 for unemployment insurance benefits. This request was a result of the administration's program review that sought to achieve state savings. Your Committee on Conference finds that the requested adjustment simply shifts costs to other state agencies and that no efficiencies or savings would be achieved. Accordingly, your Committee on Conference has restored this amount to the Department's budget so that it will continue to provide for the unemployment insurance benefits costs for affected state agencies.

### **VI. CAPITAL IMPROVEMENTS PROGRAM**

In preparing the capital improvement program (CIP) budget contained in this measure your Committee on Conference has remained mindful that in spite of signs that the State's economy is improving, the effects of the recession continue to be felt across the State, especially in the construction industry, which is still experiencing unacceptably high levels of unemployment. While investment in infrastructure and facilities is crucial for short-term economic growth and job creation, the need for a sustained program for economic growth is vital for a robust and growing economy.

As such, after carefully considering current economic conditions, along with the proposals, needs, and priorities of the administration and the departments, your Committee on Conference, has provided \$827,425,000 in general obligation and general obligation reimbursable bond-funded projects and \$3,229,619,000 in all means of financing for capital projects in FY 2012-2013.

While developing the capital improvement project budget, your Committee on Conference scrutinized each request, aware of the imminent need for "shovel ready" projects that will address the repair and maintenance and health and safety project backlogs which continue to fester within the State's agencies and departments. These projects:

- (1) Address many critical health, safety, and code requirements;
- (2) Reduce current repair and maintenance backlogs throughout several departments; and
- (3) Provide jobs for unemployed and underemployed residents.

Your Committee on Conference believes that this capital improvement program budget will not only help spur economic recovery, but will also address the most basic necessities expected of state facilities.

Your Committee on Conference has demonstrated its ongoing commitment to invest in the education of our keiki by including \$296,472,000 for the Department of Education for fiscal year 2012-2013. Of this amount \$116,500,000 has been appropriated for classroom renovations and school building improvements to address the departments' repair and maintenance backlog. Additionally, \$10,000,000 has been provided for electrical upgrades to support the rapidly evolving technology that is imperative to keep students competitive in the global economy. Your Committee on Conference has also approved \$30,000,000 in various lump sum appropriations for schools throughout the State to address Americans with Disabilities Act compliance, health and safety and special education needs.

For the University of Hawaii, your Committee on Conference has approved over \$80,000,000 for capital renewal and deferred maintenance as well as health, safety, and building code requirements, System wide. Your Committee on Conference has also taken note of the significant growth in student enrollment at the community colleges and has therefore provided an additional \$27,500,000, including \$10,000,000 to address capital renewal and deferred maintenance needs at all community college campuses. Also included is \$10,000,000 for Kapiolani Community College to begin construction of the Culinary Institute of Pacific; and \$7,500,000 for Hawaii Community College, allowing them to leverage more than \$9,000,000 from private funds to complete Phase I and II of the new campus.

Your Committee on Conference has also addressed the needs of health and human services facilities throughout the State. Over \$60,000,000 has been provided for fiscal year 2012-2013 to allow the Hawaii Public Housing Authority to continue to upgrade its units and help achieve its mission to better provide adequate shelter and housing to low-income families. Furthermore, a total of \$35,000,000 has been appropriated in fiscal year 2012-2013 for the Hawaii Health Systems Corporation to help tackle the repair and maintenance needs at community hospitals statewide.

Lastly, your Committee on Conference remains keenly aware of Hawaii's need, as an island-state, to preserve its long-term sustainability. Nearly \$26,000,000 has been provided to the Department of Agriculture and Department of Land and Natural Resources to allow them to continue their efforts to maintain the State's irrigation systems, as well as rivers, reservoirs and dams statewide, including \$1,100,000 to upgrade, repair and reinforce the Hanalei River breach which was made worse by the recent heavy rains.

Your Committee on Conference also recognizes that because of Hawaii's slow economy, many community programs run by non-profit organizations have had to reduce their level of services. Subsequently, your Committee on Conference realizes the benefits of funding some of these programs and has therefore provided over \$20,000,000 for CIP grant in aids for the 2012-2013 fiscal year.

Your Committee on Conference believes that the implementation of the numerous projects within this capital improvement project budget will result in the expansion of Hawaii's economy. In addition, your Committee on Conference aimed to address those structural needs most critical to maintaining the long-term viability of the State's facilities. It is only through the ongoing maintenance of these facilities that the State can continue to provide the programs and services essential to those who need them the most.

## VII. CONCLUSION

The combined efforts of the House of Representatives, the Senate, the administration, and countless interested parties have contributed greatly to the programs advanced by this measure. Your Committee on Conference acknowledges all those that have worked toward the development of this responsible expenditure plan.

Your Committee on Conference has adjusted the Governor's operating supplemental budget request by appropriating through this measure \$5,443,461,659 in general funds and \$11,027,264,452 in all means of financing for fiscal year 2011-2012, and \$5,598,768,779 in general funds and \$11,182,733,938 in all means of financing for fiscal year 2012-2013.

Your Committee on Conference has also made numerous technical nonsubstantive amendments for the purposes of style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2012, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2012, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Choy, Cullen, Giugni, Har, Hashem, Ichiyama, Jordan, Kawakami, C. Lee, M. Lee, Morikawa, Tokioka, Yamashita, Marumoto, Riviere and Ward.  
Managers on the part of the House.

Senators Ige, Kidani, Chun Oakland, Dela Cruz, English, Espero, Fukunaga, Kahele, Kouchi, Ryan, Tokuda and Wakai.  
Managers on the part of the Senate.  
(Senators Kahele and Wakai were excused.)

### Conf. Com. Rep. 132-12 on H.B. No. 1800

Your Committee on Conference finds that the Ronald T.Y. Moon Judiciary Complex, which opened in Kapolei in phases during early 2010, has maintenance and warranty contracts that are expiring, just two years later. Accordingly, your Committee on Conference has provided \$696,446 for maintenance and building security contracts required to keep the facility operating efficiently.

In addition, your Committee on Conference finds staffing of the Kapolei detention facility inadequate, which has resulted in considerable overtime use of staff. To address this issue, your Committee has authorized 4 juvenile detention worker positions and appropriated \$154,416 for this purpose. Your Committee expects the Judiciary to work toward significantly reducing use of overtime at the facility.

The on-call nurse's contract must be sustained in order for nurses to be present at the detention facility on off hours and holidays where day staff is not present. The nurses will provide care when necessary at the contract rate instead of a regular rate. Accordingly, your Committee on Conference has appropriated \$100,000 in order to provide for the on-call nurse contract.

Your Committee on Conference is mindful that the Department of Public Safety has or will soon stop providing adult community service sentencing services in the second, third, and fifth circuits. The loss of these services would make it difficult for indigent members of the community to pay fines owed to the State. If this occurs, the only other alternative available to judges would be to order incarceration. To maintain adult community service sentencing as a viable option, your Committee on Conference has authorized eight positions and provided \$271,380 to enable the Judiciary to provide adult community service sentencing on the islands of Maui, Hawaii, and Kauai.

Your Committee on Conference further finds that court interpreter services offered for various court cases for community members needing assistance is currently limited. To expand these services, your Committee on Conference has provided \$234,728. The funds will be used to make additional languages available for court interpreter services. This will allow greater public access to the courts.

Your Committee on Conference is aware that district family court judges have recently experienced significant increases in caseloads. In 2007, the Legislature authorized positions for this purpose, though funding was not available to fill the positions. Your Committee on Conference has provided \$267,684 to fund a previously established judge and three support positions. This funding will assist with the caseloads and promote the efficient delivery of judicial services to the public.

Your Committee on Conference notes that work began on the Justice Reinvestment Initiative (JRI) in June 2011. The ultimate goal of the JRI is to bring inmates home from non-state facilities and prepare inmates for reintegration into society. This is anticipated to result in significant cost savings over time. In order to achieve this goal, various programs must be expanded, and the Judiciary will play an important role in the process. Your Committee on Conference is supportive of the JRI and has authorized two positions and provided \$125,000 for probationary services.

Your Committee also notes that the Judiciary requested an appropriation of \$200,000 to pay for projected costs of unemployment insurance benefits for its employees. This resulted from an executive branch proposal to shift payment of this cost from the Department of Human Resources Development to the Judiciary. Your Committee finds that efficiency is not gained under this proposal and will continue to provide for the Judiciary's unemployment insurance benefits expenses through executive branch appropriations.

Lastly, your Committee has appropriated \$21,382,000 in general obligation bond funding for capital improvement projects for the FY 2012-2013 supplemental budget. The amount includes funding for various internal maintenance and upgrade projects to resolve issues with air handling systems on Maui and Oahu, as well as exterior building improvements at various sites across Oahu.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1800, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1800, H.D. 2, S.D. 2, C.D. 1.

Representatives Keith-Agaran, Oshiro, M. Lee and Thielen.  
Managers on the part of the House.  
(Representative Thielen was excused.)

Senators Ige, Tokuda and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

#### **Conf. Com. Rep. 133-12 on H.B. No. 1838**

The purpose of this bill is to authorize the issuance of general obligation bonds to finance projects for the executive branch and the judiciary.

Your Committee finds that the total amount of principal and interest estimated for the general obligation bonds authorized under this measure, and for all bonds authorized and unissued and calculated for all bonds issued and outstanding, will not cause the debt limit of the State to be exceeded at the time of issuance.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee on Conference has amended this bill by:

- (1) Inserting the appropriate amounts provided by the Department of Budget and Finance;
- (2) Updating dates cited in the measure;
- (3) Changing the effective date to "upon its approval;" and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on

Conference is in accord with the intent and purpose of H.B. No. 1838, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1838, S.D. 1, C.D. 1.

Representatives Oshiro, Choy, M. Lee, Yamashita and Ward.  
Managers on the part of the House.

Senators Ige, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 134-12 on H.B. No. 2684**

The purpose of this measure is to work towards alleviating traffic congestion on the island of Oahu by requiring the Department of Transportation to conduct a study on the feasibility of extending the zipper lane westward from Waipahu toward Kapolei, west of the Kunia on-ramp on the island of Oahu.

This measure also appropriates an unspecified amount of funds to the Department of Transportation to conduct the study.

Motor vehicle transportation has been and continues to be both a critical necessity for, and the bane of, Hawaii's drivers. Increased time spent on the road in travel decreases time spent with family or at work, work efficiency, and quality of life. As the population grows, especially on the west side of Oahu, the need for travel lanes will increase.

High occupancy vehicle lanes, such as zipper lanes on Oahu, provide an incentive to carpool, effectively reducing the number of cars on the road. However, your Committee on Conference finds that a zipper lane providing access to west Oahu could be more effective in reducing traffic if it extended westward from Waipahu toward Kapolei, west of the Kunia on-ramp.

Your Committee on Conference has amended this measure by inserting an appropriation of \$200,000 for the Department of Transportation to conduct the study.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2684, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2684, H.D. 2, S.D. 2, C.D. 1.

Representatives Souki, Ichiyama, Awana, Cabanilla, Har, Jordan and Johanson.  
Managers on the part of the House.

Senators English, Ige, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 135-12 on H.B. No. 283**

The purpose of this measure is to protect Hawaii's coffee industry and coffee agricultural assets from invasive species by providing State funds for a program to control and eradicate the coffee berry borer, which would include the destruction of feral coffee trees.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the Director of Finance is authorized to transfer \$196,000 from the Agricultural Loan Revolving Fund to the Pest Inspection, Quarantine, and Eradication Fund;
- (2) Inserting an appropriation of \$196,000 from the Pest Inspection, Quarantine, and Eradication Fund for a program to control and eradicate the coffee berry borer;
- (3) Changing its effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 283, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 283, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Hashem, Coffman, Evans and Riviere.  
Managers on the part of the House.

Senators Nishihara, Ige, Kidani, Wakai and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 136-12 on H.B. No. 1942**

The purpose of this measure is to help make the State's import system more efficient, increase available data on imported commodities, measure

food self-sufficiency and sustainability, and promote compliance with existing state law by authorizing the use of funds in the Pest Inspection, Quarantine, and Eradication Fund for the Electronic Importer Manifest Program.

This measure also appropriates an unspecified amount from the Pest Inspection, Quarantine, and Eradication Fund to implement the Program.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$200,000 to implement the Electronic Importer Manifest Program; and
- (2) Changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1942, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1942, H.D. 2, S.D. 2, C.D. 1.

Representatives Tsuji, Hashem, Cullen and Riviere.  
Managers on the part of the House.

Senators Nishihara, Ige, Kidani, Wakai and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 137-12 on H.B. No. 1943**

The purpose of this measure is to provide funding for detector-dog inspector positions under the Department of Agriculture.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$162,540 to fund the plant quarantine detector-dog program, including one inspector/detector-dog trainer and three inspectors/dog handlers; and
- (2) Changing the effective date of this measure to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1943, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1943, H.D. 2, S.D. 2, C.D. 1.

Representatives Tsuji, Hashem, Awana and Riviere.  
Managers on the part of the House.

Senators Nishihara, Ige, Kidani, Wakai and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

#### **Conf. Com. Rep. 138-12 on H.B. No. 2100**

The purpose of this measure is to promote agricultural production by appropriating general funds to the University of Hawaii system for bee hive research.

Your Committee on Conference has amended this measure by:

- (1) Changing the allocations to the several islands to allocations to the several counties instead;
- (2) Inserting an appropriation amount of \$30,000 and specifying an allocation in the amounts of \$5,000 to each of the counties and \$10,000 to the College of Agriculture, Forestry, and Natural Resource Management at the University of Hawaii at Hilo; and
- (3) Changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2100, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2100, H.D. 2, S.D. 1, C.D. 1.

Representatives Tsuji, Nishimoto, Hashem, Nakashima and Riviere.  
Managers on the part of the House.

Senators Tokuda, Ige, Nishihara, Kidani, Kahele and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 139-12 on H.B. No. 1953**

The purpose of this measure is to improve access to emergency medical care for residents of Oahu by appropriating funds to:

- (1) Expand emergency medical services and ambulance services in communities in Leeward Oahu; and
- (2) Assist Wahiawa General Hospital in providing additional emergency room services that are required due to the closing of Hawaii Medical Center's two hospitals.

Your Committee on Conference notes that the appropriation of moneys in this measure is essential to address critical emergency medical service needs in the State.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provision appropriating funds as a grant to Wahiawa General Hospital to provide additional emergency room services;
- (2) Inserting the amount of \$1,000,000 into the appropriation to increase the on-call availability of emergency medical services and ambulance services;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1953, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1953, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamane, Morikawa, Cabanilla, Jordan and Ching.  
Managers on the part of the House.

Senators Green, Ige, Chun Oakland, Espero, Nishihara and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 140-12 on H.B. No. 246**

The purpose of this measure is to support the Department of the Prosecuting Attorney of the City and County of Honolulu by appropriating unspecified amounts as grants-in-aid for the Career Criminal Prosecution Unit, prosecution in Drug Court, Hawaii's Opportunity Probation with Enforcement Program, and Victim Witness Assistance Program, including the hiring of necessary staff.

Your Committee on Conference has amended this measure by:

- (1) Inserting the following appropriation amounts:
  - (A) \$734,973 for the Career Criminal Prosecution Unit;
  - (B) \$121,057 for prosecution in Drug Court;
  - (C) \$86,888 for the Hawaii's Opportunity Probation with Enforcement Program; and
  - (D) \$502,965 for the Victim Witness Assistance Program; and
- (2) Changing its effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 246, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 246, H.D. 1, S.D. 2, C.D. 1.

Representatives Keith-Agaran, M. Lee, Ito and Thielen.  
Managers on the part of the House.

Senators Hee, Espero, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 141-12 on H.B. No. 1755**

The purpose and intent of this measure is to modify voter registration and related procedures by, among other things:

- (1) Authorizing the county clerk to accept voter registration applications electronically and establishing that the applicant's use of the electronic application to register will constitute consent for election officials to obtain confirmatory information;

- (2) Amending record keeping requirements affecting the maintenance of voters' names, affidavits of registration, and the use of tabulating cards, computer tapes, the register, and voter lists;
- (3) Deleting requirements that:
  - (A) The county clerk maintain segregated records for the Office of Hawaiian Affairs registered voters; and
  - (B) A person voting for the Board of Trustees of the Office of Hawaiian Affairs affirm that the person is Hawaiian;
- (4) Repealing the requirement that a list of registered voters in each precinct be posted at precinct polling places; and
- (5) Making an unspecified appropriation for fiscal year 2012-2013 from the general fund for the purpose of planning, designing, and implementing an online voter registration system.

Your Committee on Conference has amended this measure by appropriating \$500,000 from the general fund for fiscal year 2012-2013 for the planning, design, and implementation of an online voter registration system.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1755, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1755, H.D. 2, S.D. 2, C.D. 1.

Representatives Keith-Agaran, Oshiro, Tsuji and Thielen.  
Managers on the part of the House.

Senators Hee, Kidani and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 142-12 on H.B. No. 2251**

The purpose of this measure is to ensure the efficiency and cost effectiveness of the elections process by requiring the county clerk of any county with a population of less than 160,000 to mail an absentee ballot for each primary, special primary, special, general, and special general election to all registered voters of any island of the county that is not the county seat of government.

Your Committee on Conference has amended this measure by:

- (1) Changing its application to counties with populations of less than 180,000; and
- (2) Making the use of mail-only elections discretionary.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2251, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2251, S.D. 1, C.D. 1.

Representatives Keith-Agaran, Tokioka, Morikawa and Thielen.  
Managers on the part of the House.

Senators Hee, Kidani, English, Kouchi and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 143-12 on H.B. No. 2883**

The purpose of this measure is to require the Department of Land and Natural Resources to conduct a flood study for Makaha Valley and investigate all potential funding sources to finance the flood study and any improvements or repairs as recommended by the flood study. The measure also appropriates out of the general revenues of the State an unspecified amount for the flood study.

Your Committee on Conference has amended this measure by:

- (1) Changing the source of the appropriation for the flood study to the Special Land and Development Fund;
- (2) Appropriating \$500,000 for the study;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2883, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2883, H.D. 2, S.D. 2, C.D. 1.

Representatives Chang, Har, Awana, Jordan and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Ige, Solomon, Kidani, Shimabukuro and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 144-12 on H.B. No. 2806**

The purpose of this measure is to facilitate the preservation and protection of Hawaiian culture, native Hawaiian burial sites, and the State's environment. Specifically, the measure:

- (1) Establishes the Aha Moku Advisory Committee within the Department of Land and Natural Resources to advise the Chairperson of the Board of Land and Natural Resources;
- (2) Appropriates an unspecified sum for fiscal year 2012-2013 for the administrative costs related to carrying out the duties of the Aha Moku Advisory Committee; and
- (3) Establishes a reduced quorum requirement for island burial council meetings.

Your Committee on Conference has amended this measure by:

- (1) Deleting provisions relating to the reduced quorum requirement for island burial council meetings;
- (2) Authorizing the Aha Moku Advisory Committee executive director to hire an administrative or executive assistant to assist the executive director in accomplishing the purposes of the Aha Moku Advisory Committee;
- (3) Inserting a figure of \$76,500 as the appropriation for administrative costs related to carrying out the duties of the Aha Moku Advisory Committee; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2806, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2806, H.D. 2, S.D. 2, C.D. 1.

Representatives Hanohano, Chang, Oshiro, Awana, Carroll, Har and Ward.  
Managers on the part of the House.  
(Representative Carroll was excused.)

Senators Galuteria, Ige, Dela Cruz, Kidani, Hee, Kahele, Ryan and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 145-12 on H.B. No. 2319**

The purpose and intent of this measure is to streamline governmental operations relating to high technology and economic development.

Specifically, this measure:

- (1) Exempts grants made under the community based economic development program from the state procurement code;
- (2) Clarifies that moneys in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and
- (3) Repeals the High Technology Innovation Corporation.

Upon further consideration, your Committee on Conference has amended this measure by deleting its content and replacing it with the general substance of H.B. No. 2319, H.D. 2.

As amended, this measure:

- (1) Establishes a venture accelerator funding program under the Hawaii Strategic Development Corporation to:
  - (A) Assist the development of technology businesses in the State, such as information technology, aerospace, science, renewable energy, engineering, and film and digital media production; and
  - (B) Integrate entrepreneurial support and capital investment to develop technology industries in Hawaii;
- (2) Appropriates \$2,000,000, as a grant pursuant to Chapter 42F, Hawaii Revised Statutes, for fiscal year 2012-2013 for the Hawaii Strategic Development Corporation to establish the venture accelerator funding program; and
- (3) Takes effect on July 1, 2012.



Your Committee on Conference finds that the State has a strong interest in diversifying its economy and promoting the growth of innovative technology industries in the State. The creation of a venture accelerator funding program under the Hawaii Strategic Development Corporation will provide a means to support emerging high technology businesses by providing advisors, mentors, and resources that will assist the commercial development of those businesses. The venture accelerator funding program will also assist businesses in attracting venture capital investment to promote commercial success and sustained growth. Your Committee on Conference finds that this measure will promote economic growth and job creation in Hawaii's high technology sectors and provide opportunities for Hawaii's talented entrepreneurs, scientists, and engineers.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2319, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2319, H.D. 2, S.D. 1, C.D. 1.

Representatives McKelvey, Choy, Hashem, Kawakami, Nakashima and Marumoto.  
Managers on the part of the House.

Senators Fukunaga, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 146-12 on H.B. No. 2873**

The purpose and intent of this measure is to keep Hawaii competitive and attractive to space industry partners by improving the Pacific International Space Center for Exploration Systems' ("PISCES") ability to make timely and autonomous decisions and actions in the rapidly evolving aerospace sector.

Specifically, this measure:

- (1) Transfers PISCES from the University of Hawaii to the Department of Business, Economic Development, and Tourism; and
- (2) Authorizes the issuance of general obligation bonds and appropriates funds to construct the PISCES aerospace technology research and development park project.

Your Committee on Conference finds that PISCES drives economic growth in the State and promotes new, sustainable green industries along with associated jobs, workforce development, internships, and education programs in science, technology, engineering, and math. This measure will allow PISCES to maintain adequate flexibility to operate effectively within the fast-paced aerospace sector while continuing to work closely with the University of Hawaii. Finally, this measure will allow this State to boldly go where no other state has gone before.

Upon further consideration, your Committee on Conference has amended this bill by:

- (1) Deleting all provisions relating to the issuance of general obligation bonds and the appropriation of revenues derived therefrom to construct the PISCES aerospace technology research and development park project because the general obligation bond issuance and appropriation for this project is contained in the executive branch's supplemental appropriations measure for fiscal year 2012-2013; and
- (2) Changing the amount of general revenues appropriated to operate the PISCES aerospace technology research and development park project from an unspecified amount to \$500,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2873, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2873, H.D. 2, S.D. 2, C.D. 1.

Representatives McKelvey, Nishimoto, Oshiro, Choy, Nakashima, Tsuji and Marumoto.  
Managers on the part of the House.

Senators Espero, Ige, Tokuda, Fukunaga, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 147-12 on H.B. No. 1726**

The purpose of this measure is to align the repeal dates of the Energy Systems Development Special Fund and the environmental response, energy, and food security tax by extending the repeal date of the Special Fund to 2015, along with the periodic evaluation and plan of action requirements for the Special Fund.

Your Committee on Conference has amended this measure by:

- (1) Deleting the preamble;
- (2) Changing the sunset date of Act 253, Session Laws of Hawaii 2007, to June 30, 2013; and
- (3) Changing the effective date to June 29, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1726, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1726, H.D. 1, S.D. 2, C.D. 1.

Representatives Coffman, Kawakami and Thielen.  
Managers on the part of the House.

Senators Gabbard, Kidani and Ihara.  
Managers on the part of the Senate.  
(Senator Ihara was excused.)

**Conf. Com. Rep. 148-12 on H.B. No. 2302**

The purpose of this measure is to improve the public housing inventory in the State by:

- (1) Authorizing the issuance of general obligation bonds for fiscal year 2012-2013 to fund the renovation of uninhabitable public housing units; and
- (2) Exempting capital improvement projects under this measure from the contest provisions of the Hawaii Public Procurement Code.

Upon consideration, your Committee on Conference has amended this measure by deleting its contents and inserting provisions that expedite the construction and improvement of public housing units and public infrastructure and address economic revitalization, by temporarily exempting from the state civil service, persons hired or contracted to perform repair, maintenance, or capital improvement projects work on vacant housing units under the jurisdiction of the Hawaii Public Housing Authority.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2302, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2302, H.D. 2, S.D. 1, C.D. 1.

Representatives Cabanilla, McKelvey, Yamashita, M. Lee, Ito and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Ige, Hee, Ihara and Slom.  
Managers on the part of the Senate.  
(Senators Ige and Ihara were excused.)

**Conf. Com. Rep. 149-12 on H.B. No. 2540**

The purpose of this measure is to authorize the Department of Human Services to charge reasonable fees for the issuance and renewal of child care licenses and certificates of registration. This measure also establishes the child care licensing and registration special fund to pay for the costs incurred by the Department of Human Services in administering child care licensing and registration and to further the provision of quality child care services.

Your Committee on Conference has amended this measure by changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2540, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2540, H.D. 2, S.D. 1, C.D. 1.

Representatives Mizuno, Jordan, C. Lee, Morikawa and Pine.  
Managers on the part of the House.  
(Representative C. Lee was excused.)

Senators Chun Oakland, Kidani and Green.  
Managers on the part of the Senate.

**Conf. Com. Rep. 150-12 on H.B. No. 2448**

The purpose of this measure is to establish a formula for calculating the amount to be contributed by the State towards a Medicaid recipient's attorney's fees and costs incurred in obtaining a judgment, settlement, or award, in lieu of recovering the full amount. Among other things, this measure:

- (1) Clarifies that a notice of lien sent by the Department of Human Services for reimbursement of Medicaid benefits shall be accompanied by an itemized list of payments made by the Department;
- (2) Caps the amount of the department's lien at one-third of the settlement, judgment, or award, after its contribution for attorney's fees and expenses;
- (3) Defines the term "medical institution"; and
- (4) Requires the Department of Human Services to provide a written notice of lien to the court when restitution is sought from a third person in a criminal proceeding.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the Department of Human Services to develop fair and equitable reimbursement levels for nursing facility residents who are Medicaid recipients;
- (2) Authorizing the Department of Human Services to develop an equitable referral system for Medicaid clients transferring from hospitals to community-based care homes;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2448, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2448, H.D. 2, S.D. 2, C.D. 1.

Representatives Mizuno, Keith-Agaran, Jordan and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Hee and Kidani.  
Managers on the part of the Senate.

**Conf. Com. Rep. 151-12 on H.B. No. 2415**

The purpose of this measure is to develop a strategy to provide working individuals with disabilities with access to affordable health care.

Specifically, the measure:

- (1) Establishes a joint legislative task force to assist the Department of Human Services in developing and implementing a medicaid buy-in program for working individuals with disabilities; and
- (2) Requires the Department of Human Services to implement a medicaid buy-in program based upon the recommendations of the task force by July 1, 2014.

Your Committee on Conference has amended this measure by:

- (1) Deleting the requirement that the Department of Human Services implement a medicaid buy-in program based upon the recommendations of the task force by July 1, 2014;
- (2) Clarifying that the joint legislative task force shall explore the development and possible implementation of a medicaid buy-in program for working individuals with disabilities;
- (3) Specifying that the members of the joint legislative task force shall serve without compensation and shall receive no reimbursement for expenses; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2415, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2415, H.D. 2, S.D. 1, C.D. 1.

Representatives Mizuno, Jordan, Yamane and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Kidani, Green and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 152-12 on H.B. No. 2404**

The purpose of this measure is to ensure public access to government while reducing government spending by authorizing State and county government agencies to post required public notices electronically or online, and requiring State and county boards to post public notices and related material for public agency meetings online. Among other things, this measure also does as follows:

- (1) Eliminates the requirement for boards to post hard-copy notices of public meetings with the Office of the Lieutenant Governor;
- (2) Requires boards in situations involving technical difficulties to post hard-copy notices with the Office of the Lieutenant Governor or the appropriate county clerk's office;
- (3) Allows boards to notify by mail or electronic mail those who specifically request notice of meetings; and

- (4) Appropriates unspecified amounts of monies for both the Office of Information Management and Technology to create and maintain a centralized website for the State and the Hawaii State Public Library System to provide public access to and print public information from the centralized website.

Your Committee on Conference has amended this measure by among other things:

- (1) Providing a two-year window before requiring government agencies to post public notices only through electronic or online publication;
- (2) Requiring the State and counties to make reasonable efforts within the resources available to them to make their websites accessible to the disabled, elderly, and other individuals who require assistance;
- (3) Clarifying that meetings do not need to be canceled if the electronic notice that had been rejected by the electronic calendar was posted with the Office of the Lieutenant Governor or the respective county clerk;
- (4) Clarifying that where written materials were distributed in a state board meeting that requires disclosure under the State's freedom of information laws, those materials must be posted on the website of the board or, if none, on the website of the department within which the board is established;
- (5) Deleting language appropriating an unspecified amount to the Office of Information Management and Technology;
- (6) Appropriating \$284,200 for the Hawaii State Public Library System, and appropriating \$60,000 for fiscal year 2012-2013 to be expended by the Office of Information Practices to assist boards and commissions in meeting the new electronic posting requirements established under this measure;
- (7) Removing language establishing January 1, 2014, as the date the electronic or online publication of notices will be implemented and fully operational; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2404, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2404, H.D. 1, S.D. 2, C.D. 1.

Representatives Keith-Agaran, Tokioka, Ito and Thielen.  
Managers on the part of the House.  
(Representative Thielen voted no.)

Senators Fukunaga, Hee, Ige, Baker, English and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 153-12 on H.B. No. 304**

The purpose of this bill is to appropriate funds for fiscal year 2012-2013 to various programs and organizations that provide essential education, public health, and public welfare services in the State.

Your Committee on Conference has amended this bill by:

- (1) Inserting monetary amounts as follows:
  - (A) \$325,000 as a grant to Catholic Charities Hawaii;
  - (B) \$50,000 as a grant to the Moiliili Community Center;
  - (C) \$60,000 as a grant to the Waikiki Community Center;
  - (D) \$151,391 as a grant to Child and Family Service - Kauai;
  - (E) \$160,389 as a grant to Child and Family Service - Oahu;
  - (F) \$137,000 as a grant to Child and Family Service - Maui;
  - (G) \$450,000 as a grant to Susannah Wesley Community Center;
  - (H) \$274,111 as a grant to Adult Friends for Youth;
  - (I) \$110,000 as a grant to Partners in Development Foundation;
  - (J) \$150,000 as a grant to The Children's Alliance of Hawaii, Inc.;
  - (K) \$204,628 as a grant to Domestic Violence Action Center;

- (L) \$1,392,000 to provide grants to Volunteer Legal Services Hawaii, the Legal Aid Society of Hawaii, and the Hawaii Family Law Clinic;
  - (M) \$450,293 as a grant to Read Aloud America, Inc.; and
  - (N) \$169,592 as a grant to Read To Me International Foundation for reading programs for children of incarcerated parents;
- (2) Inserting additional appropriations as follows:
- (A) \$50,000 as a grant to the Alzheimer's Association – Aloha Chapter;
  - (B) \$225,000 as a grant to Ballet Hawaii;
  - (C) \$125,000 as a grant to Best Buddies International;
  - (D) \$166,175 as a grant to The Chamber of Commerce of Hawaii;
  - (E) \$140,000 as a grant to the Coalition for a Drug-Free Hawaii;
  - (F) \$52,800 as a grant to Family Promise of Hawaii;
  - (G) \$50,000 as a grant to Gregory House Programs;
  - (H) \$400,000 as a grant to Hawaii 3R's;
  - (I) \$500,000 as a grant to Hawaii Meth Project;
  - (J) \$400,000 as a grant to Hawaii United Okinawa Association;
  - (K) \$468,000 as a grant to the Hawaii Theater Center;
  - (L) \$750,000 as a grant to Kalihi-Palama Health Center;
  - (M) \$400,000 as a grant to La'i Opua 2020;
  - (N) \$400,000 as a grant to Malama Learning Center;
  - (O) \$100,000 as a grant to Moanalua Gardens Foundation;
  - (P) \$288,060 as a grant to ORI Anuenue Hale, Inc.;
  - (Q) \$500,000 as a grant to Pacific Renal Care Foundation;
  - (R) \$68,940 as a grant to Palama Settlement;
  - (S) \$200,000 as a grant to Parents And Children Together;
  - (T) \$150,000 as a grant to Surfing the Nations;
  - (U) \$1,750,000 a grant to Wahiawa General Hospital; and
  - (V) \$375,000 as a grant to Waiohuli Hawaiian Center, Inc.;
- (3) Deleting all other appropriations; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 304, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 304, H.D. 1, S.D. 1, C.D. 1.

Representatives Oshiro, Yamane, Mizuno, Takumi and Ward.  
Managers on the part of the House.

Senators Ige, Chun Oakland and Kidani.  
Managers on the part of the Senate.

**Conf. Com. Rep. 154-12 on S.B. No. 2116**

The purpose of this measure is to facilitate the implementation of the recommendations of the Charter School Governance, Accountability, and Authority Task Force by:

- (1) Requiring the Board of Education to contract for an Implementation and Transition Coordinator (Coordinator) to assist with the implementation of S.B. No. 2115, Regular Session of 2012, which reorganizes the charter school governance structure; and
- (2) Making an unspecified appropriation to support the Coordinator position.

Your Committee on Conference finds that the Charter School Governance, Accountability, and Authority Task Force ("Task Force") was established pursuant to Act 130, Session Laws of Hawaii 2011, in response to questions and concerns raised by policy makers and advocates alike about the integrity of Hawaii's charter school governance structure and the overall strength of Hawaii's laws in establishing clear lines of authority to ensure accountability of the charter school system.

The Task Force concluded its work and issued its report and recommendations to the Legislature, which are included in S.B. No. 2115 (2012). This measure will provide the Department of Education and charter school stakeholders with the means to create a comprehensive transition framework to implement the recommendations of the Task Force to move Hawaii's charter schools toward greater student outcomes.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 to fund the Coordinator position;
- (2) Making this measure effective on July 1, 2012; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2116, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2116, S.D. 2, H.D. 1, C.D. 1.

Representatives Belatti, Yamashita, Takumi and Johanson.  
Managers on the part of the House.

Senators Tokuda, Kidani and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 155-12 on S.B. No. 2778**

The purpose of this measure is to:

- (1) Establish a childhood obesity prevention task force to develop and recommend legislation related to the prevention of childhood obesity; and
- (2) Appropriate funds to study Hawaii-specific data and promote awareness and best practices relating to childhood obesity.

Your Committee on Conference finds that the period of early childhood is critical to an individual's health, educational success, and wellbeing throughout their lifespan.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$1;
- (2) Changing the appropriation source from the general fund to the Hawaii tobacco settlement special fund; and
- (3) Changing the effective date to July 1, 2012;

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2778, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2778, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Morikawa, M. Lee, Mizuno and Ching.  
Managers on the part of the House.

Senators Green, Ige, Chun Oakland, Ryan and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

#### **Conf. Com. Rep. 156-12 on S.B. No. 2424**

The purpose of this measure is to facilitate the implementation of the professional employer organization law established by Act 129, Session Laws of Hawaii 2010. Among other things, this measure:

- (1) Establishes the professional employer organization special fund;

- (2) Gives additional powers and duties to the Director of Labor and Industrial Relations regarding the registration and regulation of professional employer organizations;
- (3) Amends bond level requirements for professional employer organizations;
- (4) Repeals chapter 373K, Hawaii Revised Statutes, but incorporates the general excise tax exemption into chapter 373L, Hawaii Revised Statutes; and
- (5) Appropriates funds to the Department of Labor and Industrial Relations.

Your Committee on Conference finds that Act 225, Session Laws of Hawaii 2007, established a new chapter in the Hawaii Revised Statutes on professional employment organizations. The main purpose of Act 225 was to provide a general excise tax exemption for these organizations. Your Committee on Conference further finds that Act 129, Session Laws of Hawaii 2010, established registration requirements for professional employer organizations in Hawaii. Although the registration requirements went into effect July 1, 2011, amendments to the existing statute are needed before the Department of Labor and Industrial Relations can fully implement the law.

Your Committee on Conference additionally finds that this measure eliminates duplicative provisions relating to professional employer organizations and facilitates the implementation of the professional employer organization law, as established by Act 129, Session Laws of Hawaii 2010.

Your Committee on Conference has amended this measure by:

- (1) Specifying an application fee of \$100;
- (2) Specifying the following biennial renewal fees based on the average annual count of covered employees:
  - (A) \$2,500 for 0 – 100 covered employees;
  - (B) \$3,000 for 101 – 250 covered employees;
  - (C) \$5,000 for 251 – 499 covered employees; and
  - (D) \$10,000 for 500 or more covered employees;
- (3) Specifying a restoration fee of \$500;
- (4) Clarifying that during the term of the agreement between a professional employer organization and its client company, the professional employer organization shall be deemed the employer for purposes of unemployment insurance, workers' compensation, temporary disability insurance, and prepaid health care coverage;
- (5) Clarifying when written notice of the relationship between the professional employer organization and the client company must be provided to each covered employee of the client company;
- (6) Requiring a professional employer organization to provide written notice to the Department of Labor and Industrial Relations of the relationship between the professional employer organization and the client company within five business days of both the initiation and termination of the relationship, and requiring the Department to keep the notice confidential;
- (7) Deleting the definition of "assurance organization" and corresponding provisions relating to assurance organizations acting on a professional employer organization's behalf for registration and bonding purposes;
- (8) Deleting the definition of "co-employment" and making corresponding clarifying amendments to the terms "covered employee" and "professional employer agreement";
- (9) Clarifying the financial statements required as part of the registration information for professional employer organizations;
- (10) Clarifying that any bond posted shall name the Director of Labor and Industrial Relations as the obligee and may be cancelled by either the professional employer organization or the surety in specific circumstances;
- (11) Clarifying the purpose of the bond, including fulfilling the obligations of the professional employer organization to the State, client companies, and covered employees who may suffer loss in specific circumstances;
- (12) Clarifying that the Department of Labor and Industrial Relations may immediately apply to the court to enjoin a professional employer organization that fails to have a current bond in effect and does not cease doing business;
- (13) Clarifying that an action on the bond may be brought for claims of loss resulting from noncompliance and failure to make payments by a professional employer organization;
- (14) Retaining the authorization for the Director of Labor and Industrial Relations to establish .5 full-time equivalent permanent additional positions, including a disability compensation enforcement specialist IV and office assistant IV, but deleting authorization for the establishment of an auditor IV position;
- (15) Inserting an appropriation of \$177,500 out of the general fund, to be deposited to the credit of the professional employer organization special fund;

- (16) Specifying an appropriation of \$177,500 out of the professional employer organization special fund, and itemizing the purposes of the appropriation;
- (17) Inserting an effective date of upon approval; provided that the appropriation sections of this measure shall take effect on July 1, 2012; and
- (18) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2424, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2424, S.D. 2, H.D. 2, C.D. 1.

Representatives Rhoads, McKelvey, Herkes, Ito, Yamashita and Johanson.  
Managers on the part of the House.

Senators Baker, Ige, Hee and Espero.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 157-12 on S.B. No. 2780**

The purpose of this measure is to:

- (1) Identify and transfer money from designated sources into the shared services technology special fund for the State's information technology transformation initiative; and
- (2) Require state departments to offer to sell or donate office equipment to schools, nonprofits, or salvage businesses before disposal.

Your Committee on Conference finds that the initiative to modernize and transform the State's technology infrastructure, systems, processes, and procedures is well underway, and the first phase of the modernization initiative was completed with the publishing of the "Baseline of Information Management and Technology and Comprehensive View of State Services" report in September 2011. The findings and recommendations in this report provide the basis for the strategic direction that the State needs to take going forward, and the development of the statewide information technology strategic plan, which will include a business transformation strategy, is anticipated to be delivered by the Chief Information Officer in July 2012.

Your Committee on Conference has amended this measure by deleting its contents and replacing them with the language in the S.D. 1 version, which:

- (1) Contains an extensive findings and purpose section regarding the business and technology transformation initiative to prepare the State for the larger transformation activities that will be defined in the forthcoming information technology strategic plan;
- (2) Appropriates monies for the information technology transformation initiative in fiscal year 2012-2013, and authorizes issuance of general obligation bonds for planning, design, and requirements necessary to develop and implement an integrated financial and human resource management system for the State; and
- (3) Inserts an effective date of July 1, 2012.

Your Committee on Conference has further amended this measure by:

- (1) Deleting the appropriation and general obligation bond authorization;
- (2) Beginning July 30, 2012, requiring the State Procurement Office and the Office of Information Management and Technology to submit monthly reports to the Legislature on the status of information technology procurements for authorized projects undertaken by the Office of Information Management and Technology to implement the State's information technology strategic plan;
- (3) Authorizing, where appropriate, the State Procurement Officer to approve exemptions for individual procurements that facilitate the immediate deployment of demonstration technology projects authorized in the Supplemental Appropriations Act of 2012 under information and communication services (AGS 131) that will be completed by June 30, 2013; and
- (4) Requiring the Office of Information Management and Technology to submit a report on the number of information technology procurements completed on an expedited basis, the results achieved in each technology project, as well as recommendations on the feasibility of establishing a new category for information technology procurements within the State's procurement laws.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2780, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2780, S.D. 1, H.D. 2, C.D. 1.

Representatives McKelvey, Oshiro, Choy, Yamashita and Marumoto.  
Managers on the part of the House.

Senators Fukunaga, Kidani and Slom.  
Managers on the part of the Senate.



**Conf. Com. Rep. 158-12 on S.B. No. 2939**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds in an amount not to exceed \$80,000,000 to St. Francis Healthcare System of Hawaii to finance the construction, improvement, and equipment of its healthcare facilities.

Your Committee on Conference finds that aiding the efforts of St. Francis Healthcare System of Hawaii to improve its facilities and services is in the interest of the health, safety, and wellbeing of the residents of the State.

Your Committee on Conference has amended this measure by:

- (1) Restricting the uses for which the issuance of special purpose revenue bonds is authorized to financing the construction, improvement, and equipment of the facilities formerly known as Hawaii Medical Center East that are devoted solely to assisted living services, hospice care, adult day care, or other outpatient services, and not to improving or constructing facilities for long-term care or skilled nursing facilities; and
- (2) Inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2939, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2939, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Morikawa, Aquino, Cabanilla, Cullen, Har and Ching.  
Managers on the part of the House.

Senators Green, Ige, Chun Oakland and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 159-12 on S.B. No. 2827**

The purpose of this measure is to add to the uses of the monies in the trauma system special fund the costs to staff, operate, and continue the services of the injury prevention program.

Your Committee on Conference finds that the injury prevention program is an essential facet of the State's comprehensive trauma system and that the prevention program is the most cost-effective method to reduce the costs associated with injury care. Your Committee on Conference also finds that the injury prevention program is largely funded through federal monies that have been considerably reduced. With more state funding, the injury prevention program will be allowed increased security and be better able to fulfill its purposes to benefit all residents of the State.

Your Committee on Conference has amended this measure by changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2827, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2827, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Morikawa, M. Lee and Ching.  
Managers on the part of the House.

Senators Green, Ige, Chun Oakland and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 160-12 on S.B. No. 2536**

The purpose of this measure is to:

- (1) Establish a clean and sober home and halfway house task force; and
- (2) Appropriate funds to meet costs and expenditures for the clean and sober home and halfway house task force and related reports and activities required by the Legislature.

Your Committee on Conference finds that the needs and concerns of the communities in which clean and sober homes and halfway homes are established need to be tempered with the needs of individuals requiring the support of such facilities.

Your Committee on Conference has amended this measure by:

- (1) Adding the establishment of a pilot clean and sober home and halfway house in a county with a population over 900,000 to the task force's responsibilities;
- (2) Deleting the appropriation; and
- (3) Changing the effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2536, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2536, H.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Morikawa, Jordan and Ching.  
Managers on the part of the House.

Senators Green, Ige, Espero, Chun Oakland and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 161-12 on S.B. No. 2435**

The purpose of this measure is to:

- (1) Require the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to develop a program that charges and collects a reasonable fee to enable individuals who are not blind, visually-impaired, or print-disabled to access newspapers, magazines, and television listings twenty-four hours a day, seven days a week, by means of a touch-tone telephone, the Internet, or by downloading the electronic information to a digital talking book player on MP3 playing device; and
- (2) Appropriate funds for the Vocational Rehabilitation and Services for the Blind Division to maintain a telephone-based audible information access service.

Your Committee on Conference finds that it is essential to provide access to the Newline service to print-disabled clients, including those who are blind, visually impaired, dyslexic, or have learning disabilities.

Your Committee on Conference also finds that access to the Newline service is already available for persons on Oahu. This measure provides funds to the Vocational Rehabilitation and Services for the Blind Division of the Department of Human Services to maintain a telephone-based audible information access service on the neighbor islands.

Your Committee on Conference has amended this measure by:

- (1) Deleting the language that required the Vocational Rehabilitation and Services for the Blind Division to develop a program for access to newspapers, or print-disabled to access newspapers, magazines, and television listings by certain individuals;
- (2) Adding a proviso to the appropriation that the Vocational Rehabilitation and Services for the Blind Division's contract for services be with a Hawaii affiliate of a national organization that meets certain requirements;
- (3) Inserting an appropriation amount of \$80,000; and
- (4) Changing the effective date from July 1, 2030, to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2435, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2435, S.D. 1, H.D. 1, C.D. 1.

Representatives Mizuno, Yamane, Jordan, Morikawa and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Green and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 162-12 on S.B. No. 2779**

The purpose of this measure is to:

- (1) Authorize the establishment of a statewide aging and disability resource center with sites in each county to streamline access to long-term supports and services for older adults, persons with disabilities, and family caregivers; and
- (2) Make an appropriation to the Executive Office on Aging to administer and establish a statewide aging and disability resource center with sites in each county.

Your Committee on Conference finds that the Older Americans Act was amended to include the establishment of aging and disability resource centers under the direction of each state agency on aging. To meet this requirement, the Executive Office on Aging, the four county Area Agencies on Aging, and the Home and Community-based Strategies, Inc., engaged in a two-year planning process to develop a five-year systems change to implement the plan. This measure authorizes the establishment of and appropriates funds for aging and disability resource center sites in each county to streamline access to long-term supports and services for older adults, persons with disabilities, and family caregivers.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$1,400,000; and

- (2) Changing the effective date from July 1, 2030, to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2779, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2779, S.D. 2, H.D. 1, C.D. 1.

Representatives Mizuno, Yamane, Jordan, M. Lee, Morikawa and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Ihara, Ryan and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 163-12 on S.B. No. 2261**

The purpose of this bill is to:

- (1) Establish a permanent weed and seed program within the Department of Labor and Industrial Relations to continue the program's success; and
- (2) Appropriate funds to maintain current operations of the weed and seed program and expand the weed and seed program into other areas of the State.

Your Committee on Conference finds that the weed and seed program works with local law enforcement to prevent, control, and reduce violent crime, drug abuse, and gang activity in targeted neighborhoods by "weeding" out the criminal element in the community. Community policing involves police officers working closely with community residents to develop solutions to violent and drug-related crimes. "Seeding" the community involves collaboration among various human services organizations to implement prevention, intervention treatment, and neighborhood revitalization projects, programs, and activities. Your Committee on Conference further finds that the weed and seed program's success warrants the continued operation of weed and seed and envisions the expansion of the program to other communities in the future.

Your Committee on Conference has amended this measure by:

- (1) Deleting the establishment of the weed and seed program in statute;
- (2) Clarifying that the appropriation for the weed and seed program is to maintain the program in areas currently designated for the program;
- (3) Inserting an appropriation amount of \$336,000 for the weed and seed program;
- (4) Changing the effective date to July 1, 2012; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2261, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2261, H.D. 1, C.D. 1.

Representatives Aquino, Rhoads, Har, Cullen, Cabanilla and Fontaine.  
Managers on the part of the House.

Senators Espero, Ige, Hee, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 164-12 on S.B. No. 112**

The purpose of this measure is to appropriate funds for the application for a spaceport license from the Federal Aviation Administration.

Your Committee on Conference finds that expanding the State's tourism product by developing new niche products, such as space tourism, can enhance Hawaii's appeal as a tourist destination. Space tourism is a potential billion dollar global industry that could significantly increase state revenues, provide new aerospace jobs, and rejuvenate economic development in the Kalaeloa area. The Federal Aviation Administration is expected to issue a limited number of spaceport licenses, your Committee on Conference finds that this measure is crucial to position Hawaii for that economic opportunity.

Funding under this measure will enable the Department of Business, Economic Development, and Tourism to conduct the environmental and safety assessment studies required for this license to certify that space plane operations can be conducted safely in Hawaii. Similar studies at airports nationwide have universally resulted in findings of no significant impact.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000; provided that no funds shall be made available unless the federal government provides a dollar-for-dollar match of funds for the purpose for which this sum is appropriated;

- (2) Changing the deadline for the report from the Department of Business, Economic Development, and Tourism on the status of the application to twenty days prior to the convening of the Regular Session of 2013; and
- (3) Changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 112, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 112, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Brower, Choy, Evans and Marumoto.  
Managers on the part of the House.

Senators Espero, Ige, Fukunaga, Kim, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 165-12 on S.B. No. 2776**

The purpose of this measure is to implement the recommendations of the justice reinvestment working group. This measure is a recommendation of the Council of State Governments Justice Center, which provided intensive technical assistance to Hawaii to conduct a comprehensive analysis of the State's criminal justice system and to help state leaders develop policy options that could increase public safety while saving taxpayer dollars. The Justice Center utilized a data-driven approach to identify inefficiencies, develop cost-effective policy options, and develop a plan for a reinvestment of savings that reduces recidivism and increases public safety.

Your Committee on Conference finds that this measure would contribute to increasing public safety by, among other things:

- (1) Addressing the inefficiencies that tie up resources in ways that do not reduce crime and reinvesting in ways that do;
- (2) Focusing resources on supervision, incarceration, and treatment of those individuals who are most likely to benefit from those investments in terms of reducing their likelihood of committing another crime;
- (3) Increasing accountability in Hawaii's criminal justice system by mandating a period of supervision and increasing the amount of victim restitution collected; and
- (4) Increasing the effectiveness and efficiency of the Hawaii Paroling Authority.

The intent of your Committee on Conference is to realize cost savings and reinvest those savings back into the corrections system to reduce recidivism, decrease the prison population, and strengthen public safety.

Your Committee on Conference has amended this measure by:

- (1) Requiring that the minimum term of imprisonment shall be as determined by the court or the paroling authority, as the case may be;
- (2) Requiring the Department of Public Safety to select a research-based risk assessment tool and validate the accuracy of the risk assessment tool at least every five years in consultation with the Hawaii Paroling Authority;
- (3) Specifying that parole shall be granted upon completion of the minimum term to a person who is assessed as low risk for reoffending unless the person, among other things, is found to have:
  - (A) Committed misconduct while in prison that is equivalent to a misdemeanor or felony crime within thirty-six months of the expiration of the minimum term of imprisonment; or
  - (B) An extensive criminal history record that is indicative of a likelihood of future criminal behavior in spite of the finding by the risk assessment;
- (4) Deleting the requirement that a person successfully complete a sex offender treatment program if the person is incarcerated for a sexual offense or child abuse, in order to be granted parole upon completion of the minimum term or imprisonment;
- (5) Deleting the language that required supervised release on parole prior to the maximum term of imprisonment;
- (6) Deleting part V, which appropriated funds for various positions;
- (7) Changing the effective date to July 1, 2012; provided that:
  - (A) The amendments made to section 353-10, Hawaii Revised Statutes, shall take effect on January 1, 2013, and shall be repealed on July 1, 2018;
  - (B) The amendments made to section 353-66(e), Hawaii Revised Statutes, shall take effect on July 1, 2012, for any individual on parole supervision on or after July 1, 2012, and shall be repealed on July 1, 2018;
  - (C) The amendments made to section 706-670(1), Hawaii Revised Statutes, shall take effect on July 1, 2012, and shall be applicable to individuals committing an offense on or after that date; and shall be repealed on July 1, 2018; and

(D) The amendments made to sections 353-22.6 and 353-69, Hawaii Revised Statutes, shall be repealed on July 1, 2018; and

(8) Making technical, nonsubstantive amendments for the purpose of clarity and consistency.

Your Committee on Conference notes that it considered changing the period of confinement for retaken paroled prisoners for violating certain conditions of parole to the shorter of the remaining unserved term or no more than twelve months, rather than six months, but decided against it in the best interest of the rehabilitation of the person.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2776, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2776, S.D. 2, H.D. 2, C.D. 1.

Representatives Aquino, Keith-Agaran, Oshiro, Cullen, Ito and Fontaine.  
Managers on the part of the House.

Senators Espero, Ige, Hee, Kidani, Ryan and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 166-12 on S.B. No. 2320**

The purpose of this measure is to build a statewide system of support for Hawaii's older adults and their family caregivers by:

- (1) Codifying the authorization for the establishment of the kupuna care program;
- (2) Appropriating funds to the health aging partnership program of the Department of Health's Executive Office on Aging;
- (3) Appropriating funds for grants to Catholic Charities Hawaii, Moiliili Community Center, and the Waikiki Community Center to support senior centers; and
- (4) Appropriating funds for a grant to the Alzheimer's Association, Aloha Chapter, to, among other things, establish a wanderer's registration service.

Your Committee on Conference finds that the growing elderly population in Hawaii requires a significant amount of assistance, which the elderly receive through programs and services such as kupuna care, the healthy aging program, and senior centers. These programs and facilities assist older persons in leading independent, meaningful, and dignified lives in their own homes and communities for as long as possible. Your Committee on Conference also finds that the elder registration services will allow direct access to wanderer and caregiver information and emergency contact information. This measure will provide Hawaii's kupuna with the services and supports they need, including services that are person-centered and consumer-directed, to age with independence and grace.

Your Committee on Conference has therefore amended this measure by:

- (1) Deleting language that requires kupuna care program services be person-centered and consumer-directed;
- (2) Inserting an appropriation amount of \$4,200,000 for the kupuna care program;
- (3) Inserting an appropriation amount of \$426,772 for the healthy aging partnership program;
- (4) Inserting an appropriation amount of \$285,000 for senior centers, to be allocated as follows:
  - (A) \$175,000 for Catholic Charities Hawaii for the Lanakila Multi-Purpose Senior Center;
  - (B) \$50,000 for the Moiliili Community Center for the Moiliili Senior Center; and
  - (C) \$60,000 for the Waikiki Community Center;
- (5) Inserting an appropriation amount of \$50,000 for the Alzheimer's Association, Aloha Chapter, to, among other things, establish the wanderer's registration service;
- (6) Deleting language that directed the Alzheimer's Association, Aloha Chapter, to use appropriated funds to issue customized updates and information through social media to provide alerts to the community and assist with search and rescue efforts; and
- (7) Changing the effective date from July 1, 2030, to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2320, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2320, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Mizuno, Oshiro, Jordan, M. Lee, Morikawa and Ching.  
Managers on the part of the House.

Senators Chun Oakland, Green, Ihara and Slom.

Managers on the part of the Senate.  
(Senator Ihara was excused.)

**Conf. Com. Rep. 167-12 on S.B. No. 490**

The purpose of this measure is to:

- (1) Increase the maximum allocation of transient accommodations tax revenue to the tourism special fund from \$69,000,000 to an unspecified amount until June 30, 2015; and
- (2) Require an unspecified amount of monies in the tourism special fund to be expended for initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii.

Your Committee on Conference finds that the federal government's initiatives to make it easier for international travelers to visit the United States through improved visa processing and visa waivers will be highly beneficial to Hawaii's tourism economy and this measure will allow further development and implementation of programs to take advantage of the expanded visa programs and international travel opportunities, particularly from Asia.

Your Committee on Conference has amended this measure by:

- (1) Inserting an amount of \$71,000,000 as the maximum allocation of transient accommodations tax revenue to the tourism special fund until June 30, 2015;
- (2) Inserting an amount of \$2,000,000 of tourism special fund monies to be expended for initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii until June 30, 2015; and
- (3) Inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 490, S.D. 3, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 490, S.D. 3, H.D. 1, C.D. 1.

Representatives Brower, Awana, Oshiro, Tokioka and Marumoto.  
Managers on the part of the House.

Senators Kim, Kouchi and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 168-12 on S.B. No. 2220**

The purpose of this measure is to improve public safety by providing a mechanism for self-sufficiency for the Boiler and Elevator Inspection Branch of the Department of Labor and Industrial Relations. Specifically, this measure:

- (1) Establishes fee schedules for inspections, permits, and examinations of boiler and pressure systems, elevator and kindred equipment, and amusement rides;
- (2) Establishes the boiler and elevator special fund into which will be deposited fees from inspections, permits, and examinations of boiler and pressure systems, elevator and kindred equipment, and amusement rides;
- (3) Authorizes the Director of Labor and Industrial Relations to establish ten additional permanent positions in the Boiler and Elevator Inspection Branch;
- (4) Requires the Department of Labor and Industrial Relations to submit an annual report to the Legislature prior to each regular session, starting with the 2013 Regular Session, on:
  - (A) The status of the elevator and boiler inspection backlog;
  - (B) The number of inspections completed for the year; and
  - (C) The effect that the increase in fees and the establishment of the boiler and elevator special fund have had on the elevator and boiler inspection backlog;
- (5) Appropriates an unspecified amount from the general fund for start up funds to be deposited into the boiler and elevator special fund; provided that the general fund is reimbursed within five years of the effective date of this measure; and
- (6) Appropriates an unspecified amount out of the boiler and elevator special fund for the purposes specified in this measure.

Your Committee on Conference finds that the Boiler and Elevator Inspection Branch operates entirely on general funds, and permit and inspection fees have not changed since 1998. Despite process improvements, seventy-five percent of elevators and fifty percent of boilers are operating without a current permit. Furthermore, the branch has a backlog in performing critical load tests on elevators, internal inspections of escalators, and inspections of amusement rides. This measure provides a mechanism for self-sufficiency to enable the branch to hire and retain qualified personnel and carry out inspection and permitting functions related to public safety.

Your Committee on Conference has amended this measure by:

- (1) Allowing any appropriations from the Legislature to be deposited into the boiler and elevator special fund;
- (2) Allowing the expenditure of monies in the boiler and elevator special fund to reimburse the general fund for start-up funds;
- (3) Requiring the Director of Labor and Industrial Relations to reimburse the general fund, no later than five years from the date the special fund was established, for any initial general revenue appropriations deposited into the special fund;
- (4) Clarifying that all fees received by the Department of Labor and Industrial Relations pursuant to the fee schedules established in this measure shall be paid into the boiler and elevator special fund;
- (5) Clarifying language to specify that the inspection fee for a power boiler with manholes with exactly 10,000 square feet of heating surface shall be \$260;
- (6) Clarifying that any civil penalties owed under chapter 397, Hawaii Revised Statutes, shall be paid to the Department of Labor and Industrial Relations and deposited into the general fund;
- (7) Deleting language that authorized the Director of Labor and Industrial Relations to establish ten additional permanent positions in the Boiler and Elevator Inspection Branch;
- (8) Deleting language that required the Department of Labor and Industrial Relations to submit an annual report to the Legislature on the status of the elevator and boiler inspection backlog, the number of inspections completed for the year, and the effect that the increase in fees and the establishment of the boiler and elevator special fund have had on the elevator and boiler inspection backlog;
- (9) Inserting the sum of \$1,000,000 to be appropriated out of the general fund for fiscal year 2012-2013, for start up funds to be deposited to the credit of the boiler and elevator special fund;
- (10) Deleting language that appropriates an unspecified amount out of the boiler and elevator special fund for fiscal year 2012-2013, to be used for the purposes of this measure;
- (11) Changing the effective date to July 1, 2012; and
- (12) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2220, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2220, S.D. 1, H.D. 2, C.D. 1.

Representatives Rhoads, McKelvey, Yamashita, Cabanilla, Ichiyama and Fontaine.  
Managers on the part of the House.

Senators Hee, Kidani and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 169-12 on S.B. No. 2695**

The purpose of this measure is to:

- (1) Require the Department of Agriculture to collaborate with other institutions to implement a livestock feed feasibility pilot project; and
- (2) Make an appropriation in an unspecified amount out of the general fund to the Department of Agriculture for the livestock feed feasibility pilot project.

Your Committee on Conference finds that the rising cost of livestock feed has a significant impact on production costs for local protein producers. This measure would establish a livestock feed feasibility pilot project to help address the rising cost of feed and explore ways to increase the sustainability of our local protein sources. In addition, a portion of the funds appropriated in this measure shall be used to serve as matching funds for a federal construction grant awarded to build a pilot-scale feed mill to assess the operational feasibility of a feed mill in the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 from the general fund for the livestock feed feasibility pilot project;
- (2) Removing the requirement that the appropriation from the general fund be matched dollar-for-dollar by an appropriation from the agricultural development and food security special fund;
- (3) Making an additional appropriation in the amount of \$250,000 from the general fund to reimburse qualified producers of milk, pork, eggs, poultry, and beef, for the cost of feed for beef cattle, dairy cows or goats, hogs, and poultry up to the lesser of \$200,000 or ten percent of feed costs;
- (4) Making this measure effective on July 1, 2012; and

- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2695, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2695, S.D. 2, H.D. 2, C.D. 1.

Representatives Tsuji, Hashem, Nakashima and Riviere.  
Managers on the part of the House.

Senators Nishihara, Ige, Kidani and Kahele.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 170-12 on H.B. No. 1968**

The purpose of this bill is to protect public safety by appropriating an unspecified sum out of the Reduced Ignition Propensity Cigarette Program Special Fund for a full-time administrator, a full-time assistant, and other costs to implement the reduced ignition propensity cigarette certification program.

Your Committee on Conference has amended this bill by appropriating \$400,000 for the purpose of funding one full-time administrator, one full-time assistant, and other costs.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1968, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1968, H.D. 1, S.D. 2, C.D. 1.

Representatives Aquino, Cullen, Yamane and Fontaine.  
Managers on the part of the House.

Senators Baker, Ige, Espero, Green and Taniguchi.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 171-12 on H.B. No. 2226**

The purpose of this measure is codify the operations of and establish a permanent source of funding for the Statewide Automated Victim Information and Notification System, which provides victims of crime and concerned individuals with current and accurate information on the status of specific offenders and criminal proceedings.

Your Committee on Conference has amended this measure by:

- (1) Amending the definition of "offender" to include all adult offenders in the custody of the Department of Public Safety or the Hawaii Paroling Authority;
- (2) Adding an expenditure ceiling of \$600,000 per fiscal year to the Automated Victim Information and Notification System Special Fund;
- (3) Specifying that no federal funds shall be transferred or deposited into the Automated Victim Information and Notification System Special Fund;
- (4) Specifying that the members of the Automated Victim Information and Notification System Governance Committee:
  - (A) Shall be appointed by the Director of Public Safety from a list submitted by the Governance Committee; provided that the list for appointment of initial members shall be provided by the body currently serving as the Governance Committee under a federal grant establishing the victim notification system;
  - (B) Shall serve no more than two consecutive four-year terms subject to specified conditions for length of term, filling vacancies, and removal or suspension; and
  - (C) Shall be exempt from civil or criminal liability for good-faith actions undertaken within the scope of their official duty and without gross negligence or misconduct;
- (5) Specifying that the operations of the Automated Victim Information and Notification System shall continue to operate under its current funding structure, including certain federal funds, until the Automated Victim Information and Notification System Special Fund contains sufficient moneys to support its operations;
- (6) Specifying an appropriation amount of \$250,000 from the Automated Victim Information and Notification System Special Fund, which shall be made available upon the accumulation of sufficient funds to carry out operations of the Automated Victim Information and Notification System; and
- (7) Inserting an effective date of July 1, 2012.



As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2226, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2226, H.D. 2, S.D. 2, C.D. 1.

Representatives Aquino, Keith-Agaran, Cullen, M. Lee and Fontaine.  
Managers on the part of the House.

Senators Espero, Ige, Kidani and Ryan.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 172-12 on H.B. No. 2599**

The purpose of this measure is to:

- (1) Require each reentry intake service center for adults to provide:
  - (A) Pretrial assessment on adult offenders that are consented to by the defendant or that are ordered by the court, instead of preparing presentence assessments; and
  - (B) Continuing supervision and control of persons placed on pretrial supervision by the court and persons ordered by the Director of Public Safety;
- (2) Amend Act 24, Special Session Laws of Hawaii (SSLH) 2009, to include:
  - (A) Requiring the Reentry Commission to ensure that the Comprehensive Offender Reentry System under Chapter 353H, Hawaii Revised Statutes, is implemented as soon as practicable to provide programs and services resulting in the release of inmates onto parole when the maximum terms of the inmates have been served;
  - (B) Changing the composition of the Reentry Commission; and
  - (C) Repealing the Reentry Commission on December 1, 2016; and
- (3) Specify that the Reentry Commission members appointed pursuant to Act 24, SSLH 2009, shall cease to be members of the Commission on June 30, 2012, and beginning July 1, 2012, new members to the Commission shall be selected as set forth under this measure.

Your Committee on Conference has amended this measure by:

- (1) Deleting the provisions in this measure with respect to the amendments to Act 24, SSLH 2009;
- (2) Deleting the provision regarding the repeal of the existing Reentry Commission members, and the selection of the new Commission members specified under this measure;
- (3) Changing its effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for style, clarity, and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2599, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2599, H.D. 1, S.D. 1, C.D. 1.

Representatives Aquino, Oshiro, Cullen, Ichiyama and Fontaine.  
Managers on the part of the House.

Senators Espero, Ige, Hee, Ihara, Ryan and Slom.  
Managers on the part of the Senate.  
(Senators Ige and Ihara were excused.)

**Conf. Com. Rep. 173-12 on S.B. No. 2545**

The purpose of this measure is, among other things, to:

- (1) Establish the Executive Office on Early Learning;
- (2) Establish the Early Learning Advisory Board and repeal the Early Learning Council;
- (3) Establish the Pre-Plus Program within the Executive Office on Early Learning;
- (4) Require students to be at least five years old by July 31 of the school year, beginning with the 2014-2015 school year, in order to attend a public school kindergarten;

- (5) Require the Executive Office on Early Learning to report to the Legislature prior to the Regular Session of 2013 on the status of an implementation plan for the development of the Keiki First Steps program; and
- (6) Appropriate an unspecified amount to establish the Executive Office on Early Learning.

Your Committee on Conference finds that early experiences lay the groundwork for a child's lifelong learning and behavior. Your Committee on Conference further finds that high quality early learning programs that are affordable and accessible for all children are critically important to ensure the success of Hawaii's children. Establishing an Executive Office on Early Learning will help the State meet its goal of providing a viable early learning system for the keiki of Hawaii.

Your Committee on Conference has amended this measure by:

- (1) Temporarily placing the Executive Office on Early Learning within the Office of the Governor until June 30, 2015, after which the Executive Office on Early Learning shall be permanently established within the Department of Education;
- (2) Removing the requirement that the Director of the Executive Office on Early Learning be subject to the advice and consent of the Senate;
- (3) Removing the requirement that the staff of the Executive Office on Early Learning be hired pursuant to chapter 76, Hawaii Revised Statutes;
- (4) Inserting language from the S.D. 2 version of this measure to require that the members serving on the Early Learning Council on the effective date of this measure shall serve as the initial members of the Early Learning Advisory Board and shall continue to serve as members of the Early Learning Advisory Board until their terms expire;
- (5) Inserting an appropriation amount of \$300,000 to establish the Executive Office on Early Learning; and
- (6) Making this measure effective on July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2545, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2545, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Mizuno, Jordan, Belatti and Johanson.  
Managers on the part of the House.

Senators Tokuda, Kidani and Nishihara.  
Managers on the part of the Senate.

**Conf. Com. Rep. 174-12 on S.B. No. 2933**

The purpose of this measure is to improve ocean safety by:

- (1) Requiring the Department of Land and Natural Resources (DLNR) to adopt rules imposing stricter regulations for the safety of ocean users and report to the Legislature on the status of rulemaking and other safety measures;
- (2) Appropriating funds for swim zone buoys at Kamaole beach; and
- (3) Establishing the West Maui Ocean Recreation Management Area Advisory Committee (Advisory Committee) comprised of users of the ocean to work with DLNR on issues relating to the area, particularly the waters of Kaanapali.

Your Committee on Conference finds that the increased recreational and commercial activities in Hawaii's nearshore waters have led to safety concerns, especially on the island of Maui. In 2011 there were at least four reported accidents involving swimmers and divers being struck by boats. This measure will ensure greater ocean safety in highly populated areas of the State.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that DLNR is required to install the eight swim zone buoys at the coordinates indicated in this measure;
- (2) Inserting an appropriation amount of \$20,000 for the installation of swim zone buoys;
- (3) Shortening the deadline by which DLNR shall establish the Advisory Committee to September 1, 2012;
- (4) Specifying that the boating enthusiast member of the Advisory Committee be a commercial boating enthusiast;
- (5) Replacing the canoeing enthusiast member of the Advisory Committee with a fishing enthusiast;
- (6) Exempting the members of the Advisory Committee from the state code of conduct, chapter 84, Hawaii Revised Statutes;
- (7) Terminating the Advisory Committee on June 30, 2015;
- (8) Changing the effective date to July 1, 2012; and

- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2933, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2933, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Har, McKelvey and Riviere.  
Managers on the part of the House.

Senators Dela Cruz, Ige, Solomon, Kidani, Baker and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 175-12 on S.B. No. 2344**

The purpose of this measure is to appropriate funds for operational expenses relating to the Hawaii Health Authority.

Your Committee on Conference finds that it is the goal of the Hawaii Health Authority to institute a universal health care system in the State, and consequently, the lack of funding that significantly hampers the Authority's efforts needs to be swiftly addressed.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$100,000; and
- (2) Changing the effective date to July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2344, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2344, S.D. 2, H.D. 1, C.D. 1.

Representatives Yamane, Morikawa, M. Lee and Ching.  
Managers on the part of the House.

Senators Green, Ige, Chun Oakland, Kidani and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 176-12 on S.B. No. 2947**

The purpose of this measure is to:

- (1) Establish monetary awards for whistleblowers for certain actions that may result in a Department of Taxation administrative or judicial action;
- (2) Authorize the Director of Taxation to appoint an administrative appeals officer;
- (3) Prohibit certain penalties from being added to tax underpayments on which certain other penalties are already imposed; and
- (4) Require all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number of the operator or plan manager.

Your Committee on Conference finds that several of the provisions in this measure have been incorporated in other measures. Your Committee on Conference has amended this measure accordingly, by deleting the provisions that:

- (1) Establish monetary awards for whistleblowers;
- (2) Prohibit certain penalties from being added to tax underpayments on which certain other penalties are already imposed; and
- (3) Require all advertisements and solicitations for transient accommodations to display the registration identification number or the website address containing the registration identification number of the operator or plan manager.

Your Committee on Conference has further amended this measure by:

- (1) Inserting language to amend section 231-3.4, Hawaii Revised Statutes, to require the Department of Taxation to submit the reports listed in section 231-3.4(a)(3), Hawaii Revised Statutes, to the Legislature annually and to submit by December 31, 2012, a report to the Legislature on the resources and information needed to complete the reports, identification of the best means of providing information in an electronic format; and recommendations for additional information that may be required for inclusion in the reports as the Department upgrades its tax computer systems and associated enterprise resource planning implementation;
- (2) Making the exploration and implementation by the Department of Taxation of all reasonable methods of covering the costs of distribution of the reports required in section 231-3.4, Hawaii Revised Statutes, discretionary rather than mandatory;

- (3) Appropriating \$104,505 for additional resources and staffing support for the Department of Taxation to complete the reports required under section 231-3.4, Hawaii Revised Statutes; and
- (4) Inserting an effective date of July 1, 2012.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2947, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2947, S.D. 2, H.D. 2, C.D. 1.

Representatives McKelvey, Keith-Agaran, Choy and Marumoto.  
Managers on the part of the House.

Senators Fukunaga, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 177-12 on S.B. No. 2678**

The purpose of this measure is to:

- (1) Require the Department of Land and Natural Resources to establish a seven-member Honouliuli park site project advisory group to develop recommendations to leverage funding for an educational resource center at the Honouliuli site;
- (2) Require the advisory group to submit a report to the Legislature prior to the Regular Session of 2013 on its progress and the status of designating the site as part of the U.S. National Park Service; and
- (3) Appropriate funds from the Hawaii historic preservation special fund for fiscal year 2012-2013 to fund the advisory group established pursuant to this Act.

Your Committee on Conference finds that the proposed measure would add state funding to leverage federal funds and local efforts that have been underway for several years to evaluate and preserve the historic sites and stories of Japanese-Americans who were interned during World War II. These efforts include a feasibility study by the National Park Service to evaluate alternatives and preferred actions for preserving Honouliuli and related sites across the State. Your Committee on Conference further finds that in 2009, United States Senators Daniel K. Inouye and Daniel K. Akaka introduced a bill to determine if World War II internment campsites in Hawaii may be eligible for listing as "units of the National Park System."

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$100,000 and changing the source of funding to the general fund for the activities of the advisory group; provided that no funds shall be expended unless matched on a dollar-for-dollar basis by federal, private, or other external funds;
- (2) Inserting an effective date of July 1, 2012; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2678, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2678, S.D. 2, H.D. 2, C.D. 1.

Representatives Chang, Har, Cabanilla and Riviere.  
Managers on the part of the House.

Senators Fukunaga, Ige, Dela Cruz, Espero and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 178-12 on S.B. No. 2236**

The purpose of this measure is to:

- (1) Amend chapter 39A, part VI, Hawaii Revised Statutes, to authorize the issuance of special purpose revenue bonds to assist utilities serving the general public in providing telecommunications (part I); and
- (2) Authorize the issuance of up to \$100,000,000 in special purpose revenue bonds to assist Clearcom, Inc., or a partnership headed by Clearcom, Inc., with planning, permitting, designing, constructing, equipping, and operating broadband infrastructure throughout the State; and lapse the authorization to issue special purpose revenue bonds on June 30, 2017 (part II).

Your Committee on Conference finds that this measure will assist in the development of critical broadband infrastructure and is well aligned with the Hawaii broadband initiative's goals of providing affordable high speed communication through the State by 2018.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2012; and
- (2) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2236, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2236, H.D. 2, C.D. 1.

Representatives McKelvey, Yamashita, Choy, Har and Marumoto.  
Managers on the part of the House.

Senators Fukunaga, Kidani and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 179-12 on S.B. No. 2958**

The purpose of this measure is to appropriate funds as a grant, pursuant to chapter 42F, Hawaii Revised Statutes, for Kapiolani Medical Center for Women and Children to implement a peripheral blood stem cell/apheresis program.

Your Committee on Conference finds that the closure of the Hawaii Medical Center facilities has terminated the State's ability to provide bone marrow transplantation services, which are used to treat patients with leukemia, aplastic anemia, lymphomas, some solid tumors, and various other medical conditions. Given the critically important nature of the transplantation services that are now missing in Hawaii, efforts to implement a program are immediately necessary.

Your Committee on Conference has amended this measure by:

- (1) Replacing references to the peripheral blood stem cell/apheresis program with references to an apheresis stem cell collection program to support pediatric bone marrow transplantation to serve all young children to adulthood;
- (2) Inserting an appropriation amount of \$500,000;
- (3) Changing the effective date to July 1, 2012; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2958, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2958, S.D. 2, H.D. 2, C.D. 1.

Representatives Yamane, Morikawa, M. Lee, Mizuno and Ching.  
Managers on the part of the House.

Senators Green, Ige, Baker, Chun Oakland and Slom.  
Managers on the part of the Senate.  
(Senator Ige was excused.)

**Conf. Com. Rep. 180-12 on S.B. No. 2804**

The purpose of this measure is to:

- (1) Establish the Hawaii Interagency Council on Homelessness, to be administratively attached to the Department of Human Services; and
- (2) Require the Department of Human Services to conduct a study on the feasibility of establishing safe havens in Hawaii and to submit a report to the Legislature prior to the convening of the 2013 Regular Session.

Your Committee on Conference finds that homelessness requires greater collaboration and coordination among diverse government entities, businesses, nonprofits, and faith-based organizations. This measure allows the Hawaii Interagency Council on Homelessness to continue identifying critical strategic goals and initiatives that would mitigate homelessness as well as ensure that homeless persons obtain permanent housing and become reintegrated into the community.

Your Committee on Conference also finds that there will always be a segment of the homeless population that does not reside in Hawaii's current homeless shelter system for reasons including lack of space, eligibility, or personal choice. For this population, a permissible temporary encampment may be highly preferable. In order to determine whether or not designating safe facilities for the homeless is feasible in Hawaii, your Committee on Conference finds that a study is the best course of action at this time.

Your Committee on Conference has amended this measure by:

- (1) Amending the findings language;
- (2) Establishing the Hawaii Interagency Council on Homelessness as a new part in chapter 346, Hawaii Revised Statutes, rather than in session laws;

- (3) Designating the Governor's Coordinator on Homelessness as the Chair of the council rather than designating the Director of Human Services as the ad hoc Coordinator of the Council;
- (4) Amending the objectives of the Hawaii Interagency Council on Homelessness, including specifying that the statewide plan to be formulated by the Council shall be a ten-year plan and that the Council shall advise the Governor on the implementation of the plan;
- (5) Amending the issues that the ten-year, statewide plan must address to include activating, coordinating, and maintaining responsive action among the public, business, and faith-based communities to become part of the homelessness solutions strategy;
- (6) Amending the membership of the Hawaii Interagency Council on Homelessness;
- (7) Specifying that only the non-governmental members of the Council shall serve without compensation but be reimbursed for certain expenses;
- (8) Deleting language that allowed the Council to prioritize, modify, or refrain from exercising any of the duties of the Council;
- (9) Deleting language that required the Council to endeavor to coordinate the duties, responsibilities, and functions of all the members of the Council;
- (10) Adding language that exempts members of the Hawaii Interagency Council on Homelessness from chapter 84, Hawaii Revised Statutes;
- (11) Inserting an appropriation amount of \$25,000 to the Department of Human Services for administrative expenses of the Hawaii Interagency Council on Homelessness;
- (12) Amending the language that requires the Department of Human Services to conduct a study on establishing safe havens in Hawaii to instead require the Department, with the assistance and advisement of the Hawaii Interagency Council on Homelessness, to conduct a study on designating safe facilities that meet certain requirements;
- (13) Amending the considerations and components required of the study;
- (14) Amending the reporting requirement to require the Department of Human Services, in conjunction with and with the advisement of the Hawaii Interagency Council on Homelessness, to report on the progress of the establishment of designated safe facilities;
- (15) Changing the effective date from July 1, 2030, to July 1, 2012; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2804, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2804, S.D. 2, H.D. 2, C.D. 1.

Representatives Cabanilla, Kawakami, Ito, Jordan, Mizuno and Pine.  
Managers on the part of the House.

Senators Chun Oakland, Espero, Ryan and Slom.  
Managers on the part of the Senate.