

FIFTY-NINTH DAY

Tuesday, April 30, 2013

The House of Representatives of the Twenty-Seventh Legislature of the State of Hawaii, Regular Session of 2013, convened at 9:08 o'clock a.m., with Speaker Souki presiding.

The invocation was delivered by Former Representative Lynn Finnegan, Executive Director of Hawaii Public Charter Schools Network, after which the Roll was called showing all Members present with the exception of Representatives Ing and Say, who were excused.

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

At 9:13 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:41 o'clock a.m.

ORDER OF THE DAY

SUSPENSION OF RULES

At this time, the Chair stated:

"Members, the Chair will be taking an item out of order. Please turn to page 26, CCR 155."

On motion by Representative Awana, seconded by Representative Fukumoto and carried, the rules were suspended for the purpose of considering certain House and Senate Bills for Final Reading by consent calendar.

ORDINARY CALENDAR

UNFINISHED BUSINESS

Conf. Com. Rep. No. 155 and S.B. No. 908, SD 1, HD 1, CD 1:

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 908, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

At this time, Representative Luke offered Floor Amendment No. 24, amending S.B. No. 908, SD 1, HD 1, CD 1, as follows:

"SECTION 1. Senate Bill No. 908, S.D. 1, H.D. 1, C.D. 1, is amended by adding two new parts to be designated as parts VIII and IX and to read as follows:

"PART VIII

SECTION 14. There are appropriated or authorized from the sources of funding indicated below to departmental administration and budget division (BUF 101) the following sums or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015 the carryover costs related to implementation of the 8.16 per cent across the board wage increase and catch up step movements for bargaining unit (9) employees, directed in the arbitration award for fiscal biennium 2011-2013:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$ 6,500,660	\$ 6,500,660
Special Funds	14,203,816	14,203,816
Federal Funds	269,185	269,185
Interdepartmental Transfers	16,096	16,096
Revolving Funds	53,373	53,373

SECTION 15. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part.

PART IX

SECTION 16. There are appropriated or authorized from the sources of funding indicated below to departmental administration and budget division (BUF 101) the following sums or so much thereof as may be necessary, to fund for fiscal biennium 2013-2015 the carryover costs related to implementation of the 8.16 per cent across the board wage increase and catch up step movements, for state officers and employees in the executive branch excluded from collective bargaining who belong to the same compensation plans as those officers and employees within collective bargaining unit (9), directed in the arbitration award for fiscal biennium 2011-2013:

	<u>FY 2013-2014</u>	<u>FY 2014-2015</u>
General Funds	\$ 94,617	\$ 94,617
Special Funds	242,453	242,453
Federal Funds	8,229	8,229

SECTION 17. Funds appropriated or authorized by this part shall be allotted by the director of finance to the appropriate state departments for expenditure in the respective fiscal year for the purposes of this part."

SECTION 2. Senate Bill No. 908, S.D. 1, H.D. 1, C.D. 1, is amended by redesignating part VIII as part X, renumbering sections 14, 15, and 16 contained therein as sections 18, 19, and 20, respectively, and amending the newly designated sections 19 and 20 to read as follows:

"SECTION 19. Funds appropriated or authorized by parts II to VII of this Act that are not expended or encumbered by June 30, 2013, shall lapse as of that date; provided that funds appropriated or authorized by parts VIII and IX of this Act that are not expended or encumbered by June 30, 2014, and June 30, 2015, of the respective fiscal years, shall lapse as of those dates.

SECTION 20. This Act shall take effect upon its approval; provided that parts VIII and IX shall take effect on July 1, 2013."

Representative Luke moved that Floor Amendment No. 24 be adopted, seconded by Representative Nishimoto.

Representative Luke rose to speak in support of the proposed Floor Amendment, stating:

"Thank you. I'd like to speak in favor of the Floor Amendment and I just wanted to explain why. Senate Bill 908, Senate Draft 1, House Draft 1, Conference Draft 1, is actually the emergency appropriation for Unit 9, the nurses. While passing the various collective bargaining bills, we noticed we have neglected to provide funding for Fiscal Year '14 and '15 for the nurses, so we're tacking on appropriations for Unit 9 into this bill, which is the emergency appropriation for Fiscal Year '13, also adding '14 and '15 to take care of our nurses. Thank you."

The motion that Floor Amendment No. 24, amending S.B. No. 908, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," be adopted, was put to vote by the Chair and carried.

At 9:44 o'clock a.m., the Chair noted that Floor Amendment No. 24 was adopted.

At this time, the Chair stated:

"The Floor Amendment has passed. Members, please note the 48-hour notice for this measure.

"We have an announcement for the end of calendar. Please note that the Chair will be moving the following items to the end of the calendar:

Page 12, CCR Report No. 1, Senate Bill No. 1084, SD 1, HD 1, CD 1;  
 Page 12, CCR Report No. 7, Senate Bill No. 507, SD 1, HD 1, CD 1;  
 Page 12, CCR Report No. 12, Senate Bill No. 1207, HD 2, CD 1;  
 Page 14, CCR Report No. 39, Senate Bill No. 1214, SD 1, HD 2, CD 1;  
 Page 18, CCR Report No. 76, Senate Bill No. 535, SD 1, HD 2, CD 1;  
 Page 23, CCR Report No. 130, Senate Bill No. 946, SD 1, HD 1, CD 1;  
 Page 28, CCR Report No. 180, House Bill No. 726, HD 1, SD 2, CD 1."

**Conf. Com. Rep. No. 1 and S.B. No. 1084, SD 1, HD 1, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**Conf. Com. Rep. No. 7 and S.B. No. 507, SD 1, HD 1, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**Conf. Com. Rep. No. 12 and S.B. No. 1207, HD 2, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**Conf. Com. Rep. No. 39 and S.B. No. 1214, SD 1, HD 2, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**Conf. Com. Rep. No. 76 and S.B. No. 535, SD 1, HD 2, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**Conf. Com. Rep. No. 130 and S.B. No. 946, SD 1, HD 1, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**Conf. Com. Rep. No. 180 and H.B. No. 726, HD 1, SD 2, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

At 9:47 o'clock a.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 9:48 o'clock a.m.

At this time, the Chair stated:

"Alright Members, please turn to page 16 and refer to CCR Number 54."

**Conf. Com. Rep. No. 54 and H.B. No. 622, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 622, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

At this time, Representative Saiki offered Floor Amendment No. 26, amending H.B. No. 622, HD 1, SD 1, CD 1, as follows:

"SECTION 1. House Bill No. 622, H.D. 1, S.D. 1, C.D. 1, RELATING TO EVIDENCE, is amended as follows:

1. By amending section 1 to read:

"SECTION 1. The legislature finds that Act 210, Session Laws of Hawaii 2008, (Act 210), established a limited news media privilege against the compelled disclosure of sources and unpublished information to a legislative, executive, or judicial officer or body, or to any other person who may compel testimony. Act 210 was scheduled to be repealed on June 30, 2011, but was extended for two years by Act 113, Session Laws of Hawaii 2011, and is scheduled to be repealed on June 30, 2013.

The purpose of this Act is to extend the news media privilege law for an additional two years."

2. By amending section 2 to read:

"SECTION 2. Act 210, Session Laws of Hawaii 2008, as amended by Act 113, Session Laws of Hawaii 2011, is amended by amending section 3 to read as follows:

"SECTION 3. This Act shall take effect upon its approval and shall be repealed on June 30, ~~2013~~ 2015."

Representative Saiki moved that Floor Amendment No. 26 be adopted, seconded by Representative Thielen.

Representative Saiki rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, I rise in favor of the Floor Amendment. Mr. Speaker, I wanted to just first of all start off by expressing a lot of appreciation for the subject matter Chairs who worked on this bill throughout the session and in conference, and I'm referring to Chairs both on the House side and the Senate side, because I know that this is a difficult issue to grapple with.

"But this Floor Amendment is being offered simply for the purpose of extending for two years the current form of our shield law. The Legislature enacted the Shield Law 5 years ago and it is due to sunset on July 1st, 2013. The Shield Law is a really important public policy issue for our state. It gives meaning and effect to the First Amendment because it protects journalists, it protects the freedom of the press from disclosure of confidential sources. This is really important because it allows the media and journalists to ascertain and to report the truth to the public. Journalists should be allowed to do this without the fear of being forced to disclose their sources.

"I just wanted to make clear that this Floor Amendment is intended to keep our current shield law in effect for two years and to give our subject matter Chairs on the House and Senate side some additional time to work out any revisions to this law. Thank you very much."

Representative Takayama rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, I rise in support of the Floor Amendment. Mr. Speaker, I ask my colleagues to vote in support of the proposed Floor Amendment because this Floor Amendment does what the Conference Draft does not. It affords protections under our existing Shield Law to the so-called alternative media. That is the free press, many on-site web news sites, and other such journalists.

"Mr. Speaker, I recognize that there are some among our colleagues who feel that such alternative journalists do not deserve special protections. I realize that such journalists can be troublesome, they can be outspoken, they can be troublemakers. Mr. Speaker, it's exactly for those reasons that I believe that they deserve our support under the freedom of the press.

"When our founding fathers wrote the First Amendment it was out of respect for a press that was a vehicle that questioned government authority, and it was that spirit in which our nation was founded. For that reason, I believe that this Floor Amendment supports our First Amendment and therefore ask my colleagues to support it.

"Furthermore, Mr. Speaker, I'll be, at a future date, asking that our Legislature authorize the appointment of a task force comprising of our Executive, Judiciary, Legislative, as well as news media, to conduct what has not been afforded the public as of yet, that is a full and free discussion of the necessity for a shield law. I'll be asking that the task force report to the 2015 Legislature, whether we should adopt the current Shield Law or propose an amended one. For those reasons, I ask my colleagues to support the Floor Amendment. Thank you."

Representative Thielen rose to speak in support of the proposed Floor Amendment, stating:

"Thank you, Mr. Speaker. In the interest of time I would like to request that I be permitted to put remarks in the Journal in strong support of this Floor Amendment. Thank you."

Representative Thielen's written remarks are as follows:

"The power and the freedom of the press is a flaming sword. That it may be a faithful servant to all the people, use it justly ... hold it high ... guard it well.' - *Steve Wilson, The Illustrated Press ('Big Town' radio show)*

"I stand in strong support of Floor Amendment 26. I was ready to introduce Floor Amendment 25, which would have made Hawaii's existing shield law permanent. In the spirit of our bipartisan coalition, I instead seconded Floor Amendment 26, presented by Majority Leader Scott K. Saiki.

"Ed Lynch, managing editor of the Honolulu Star-Advertiser, testified that Hawaii's existing shield law is 'one of the most forward-thinking shield laws in the nation, as it helps protect both traditional and nontraditional journalists.'

"The Society of Professional Journalists testified that Hawaii's shield law is 'one of the best in the country in terms of depth of coverage.'

"Hawaii's widely respected 2008 law is due to expire on June 30. All that was needed was to simply drop the sunset provision and make the shield law permanent. That was the intent behind HB622.

"Instead, while HB622 was in Conference Committee, the Senate Judiciary Chair purposely inserted amendments into the bill that redefined the scope of journalism and rendered the bill nearly useless. Many online-only publications (and their confidential sources) would lose their protection. Freelance journalists – those who submit their works to established publications for a fee – would lose protection. Free online and 'on paper' publications – such as MidWeek, the Hawaii Reporter, and Honolulu Weekly – would be excluded from protection. The Senator's attempt to redefine 'journalism' was inappropriate, and the result would have been worse than no shield law at all. I voted 'no' in Conference Committee.

"Floor Amendment 26 will extend the existing shield law for two more years. This will enable legislators to understand the importance of this amendment for freedom of the press, both 'new' journalists and traditional. I urge Members to vote in favor of Floor Amendment 26."

Representative Ward rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, I rise in support. Mr. Speaker, this bill brings to life what the Representative from Wahiawa and myself introduced a number of years ago to actually put the first shield law in place, which was commended as one of the best in the nation. Unfortunately, those in power seem to have wanted to wither away some of those great things. But that's nothing new, Mr. Speaker. We are a nation of laws, not of men. Even though when some men get into office they like to wither away some of the First Amendment press freedoms.

"Case in point, Frank Fasi wanted to have disclosure by all media people. If you are a part of the media you have to say what assets that you had so we could see where you were coming from when you put a microphone into one of the political leader's faces.

"Mr. Speaker, there are some now in office who would love to do the same thing, to wither away from that freedom that the First Amendment gives. But I think it was best said by Jefferson, if I had to choose between freedom of the press and government, I would choose government. Because of that, this is the best Floor Amendment I think we'll have today. Thank you, Mr. Speaker."

Representative McDermott rose to speak in support of the proposed Floor Amendment, stating:

"Mr. Speaker, very briefly, I stand in support. The previous speaker from the Pearl City area is undoubtedly an expert on this matter and I would like his comments incorporated in the Journal as if they were own. Thank you," and the Chair "so ordered." (By reference only.)

The motion that Floor Amendment No. 26, amending H.B. No. 622, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EVIDENCE," be adopted, was put to vote by the Chair and carried.

At 9:55 o'clock a.m., the Chair noted that Floor Amendment No. 26 was adopted.

At this time, the Chair stated:

"Members, please note the 48-hour notice of this measure.

"We can go back now to page 1."

**Conf. Com. Rep. No. 105 and H.B. No. 200, HD 1, SD 1, CD 1:**

Representative Luke moved that the report of the Committee be adopted, and that H.B. No. 200, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Nishimoto.

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

"Thank you, Mr. Speaker. I rise to speak in support of this bill. Thank you. Mr. Speaker, this budget bill would not have been possible without the help of so many people. I'd like to first of all thank the members of the Finance Committee for their insights and patience during the crafting of this budget, especially the two Vice Chairs, Representative Nishimoto and Representative Johanson. And my apologies today for mentioning every single one by name as opposed to district because I think it's fitting that I mention their names.

"I would also like to thank the Finance staff that is in the gallery. As I say your name if you could stand. I'm just going to say their first names because I think of them as family, and if you could just hold your applause until everyone is standing. Nan, stand up. Susan and Puna who are upstairs. We have Randall, Stacey and Matt - I couldn't recognize him because he recently cut his hair, Dong, Kara, Sachi, Kelcie, Kristen, Sheryll, Emily. In the office we have Linnea, Christie, Kelli, Jo, Mary and Kauai who are not here. Also the CIP specialist, Leslie. If all the Members could give them a round of applause. This budget would not have been possible and the bills today would not have been possible without the dedication and hard work of all of them.

"It is also fitting for me to introduce all the directors and deputy directors who aren't here right now. When I started working with them they probably thought I was very abrasive and crazy at times, and I'm sure they said some words about me behind my back. But that's okay, I forgive you guys. So Director Seki, stand up, and Director Okimoto, and Deputy Director Luis Salaveria, who was kind of like my staff because he was working with us all the time. All the other directors, deputies and department personnel, if you could stand at this time because working through this budget was really a collaborative effort. Tracy, I see you hiding, if you could all stand so that the Members could appreciate all the work that you put in.

"Mr. Speaker, I would like to thank Chair Ige and his staff, especially Roderick Becker, and now you know what his real name is, Roderick, and Calvin Azama. From the beginning they were open to my suggestions, and the budget bill I can say, truly say, is a real collaborative effort. One of the things Chair Ige did to foster our working relationship was to treat the Senate Draft like a Conference Draft and directing his staff to incorporate and agree to House positions into the Senate Draft. That is why the agreed items made up about two-thirds of the line items when we started the budget conference, and I truly want to thank Chair Ige and his staff for their dedication into this budget.

"I would like to thank Senator Kidani and her staff, Will Kane, for working collaboratively with me on the CIP items. I'm also very grateful for the latitude she provided me during negotiations.

"I would like to thank Representative Yamashita, stand up, for providing the guidance in the Capitol Improvement Project negotiations in establishing a solid House position for which we could start negotiating.

"I would like to thank Representative Cullen for his hard work in putting together a GIA List which was sound and based on good policy. He had the courage to say no to a lot of people in difficult situations. My heartfelt *mahalo* to Representative Cullen, because in those conferences where he was present and the analysts and researchers were getting harassed by some of the members of the other side, he was actually their protector and that's something that I found out late in the game, so I really appreciate all that you have done for our staff.

"Mr. Speaker, I would like to thank you for allowing me this opportunity to work on this budget in crafting the financial plan.

"Mr. Speaker, it would not be right for me to talk about the budget without also discussing the financial plan, since after all the budget is just a piece of the puzzle in the financial plan. So, Mr. Speaker, if you would allow me."

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

Representative Luke continued, stating:

"Thank you, Mr. Speaker. Mr. Speaker, if you would indulge me and allow me to discuss items outside of this budget to provide a big picture. As you know, after the House passed the executive budget, the Council on Revenues increased the revenue projection, thereby opening up so many possibilities on what to do with the surplus and how to craft a financial plan.

"As such, we set out to do three things in the financial plan. First, was to pass a budget that took care of the needs of the community but at the same time resulted in controlled growth. As I said in the beginning, with increase in revenues came new challenges. Despite the pressure to restore all programs that were cut in the past and to begin new initiatives, the approach taken by both the House and the Senate was a conservative one.

"As such, this Conference Draft reduces the Administration's original budget request by about \$250 million from the biennium. It also eliminated about 280 vacant positions to bring the departments toward transparent and accountable budget process. With that I really want to thank both the Senate and my staff because the vacancy position reduction was really hard work and I wanted to just commend all their work.

"Secondly, the plan in the financial plan was to use the projected surplus to strengthen economic drivers to ensure increased revenue returns. In order to help the construction industry, the budget bill authorized over \$1.3 billion in General Obligation Bonds for capital improvement projects with the interest being as low as 3% on the sale of state bonds. This is the time to ramp up the capital improvement projects for the state. That is why, although the overall biennium General Obligation Bond authorization was very similar to what was submitted by the Administration, this budget bill increases the first year authorization by \$150 million while lowering the second year allocation.

"To assist the tourism industry, the financial plan includes \$11 million increase to the Hawaiian Tourism Authority to continue and strengthen the marketing of Hawaii as a visitor destination. To help the growing high tech industry, the financial plan includes \$6 million for investment in startups, and supports the tax credit for research and development.

"Last piece in crafting the financial plan was to make investment in the future. That is why the financial plan includes an additional \$160 million that will be deposited into the Hawaii Hurricane Relief Fund and the addition of \$50 million into the Rainy Day Fund. It also sets aside \$15 million to address federal sequestration. But most importantly, this financial plan includes \$217 million in the next biennium to begin

decreasing the state's unfunded liability and continue to allocate funds every year ending in an allocation of \$500 million in Fiscal Year '18 and '19.

"Mr. Speaker, controlling the growth of government, strengthening economic drivers and investing in the future will surely ensure stronger economic growth. Mr. Speaker, may I request that additional written remarks be submitted into the Journal? Thank you very much."

Representative Luke's written remarks are as follows:

Mr. Speaker, with your indulgence, I'd like to thank the efforts of several Members of the House who have done some amazing things this year.

"Mr. Speaker, I'd like to thank Rep. Ty Cullen for stepping in and embracing the critical role of vetting the 209 grant-in-aid applications, valued at over \$155 million. This was not an easy task, and I truly appreciate his due diligence in helping to pare down that request to \$9.9 million. Additionally, Mr. Speaker, on a more personal level, I learned, after the fact, that during the heat of some emotional conference committee deliberations he stepped up to protect and defend House Finance researchers from certain Members in the opposite Chamber. I appreciate Rep. Cullen's 'Big Brother' protective instincts.

"Rep. Cullen also fought well for the children of Honowai and Mauka Lani Elementary Schools, East Kapolei Middle School, and Campbell High School, bringing much needed school improvements totaling \$5.58 million.

"Mr. Speaker, the people of Kihei should be proud of the immediate impact that Rep. Kaniela Ing has been able to make. After many years of effort, \$130 million has been set aside for the design and construction of a new high school in Kihei, Maui. Several Maui communities have been waiting for a very long time for this project to proceed. Additionally, Mr. Speaker, as the Vice Chair for the House Committee on Public Safety, Rep. Ing was able to make important contributions to the status of the Puunene facility on Maui.

"Mr. Speaker, I'd like to thank the veteran freshman in our midst, Rep. Kobayashi, for his always stimulating discussion and historical knowledge of important human services and health issues we tackled this year in Finance. Whether it be long term care programs or Hawaii Health Systems Corporation issues, we could always count on Rep. Kobayashi to bring something interesting to the table. And Mr. Speaker, he hasn't lost his touch. Rep. Kobayashi was able to secure over \$4 million for the Hawaii Film Studio, Kapiolani Community College, and Kahala and Waikiki Elementary schools.

"Mr. Speaker, I want to acknowledge Rep. Lowen for her leadership in pursuing and securing \$800,000 to fight the coffee borer beetle and save coffee production on the Big Island.

"As a freshman legislator, Rep. Lowen represented her constituents and district well. In addition to her efforts to assure that the coffee industry has a future on the Big Island, she was able to help get \$2.4 million for phase 1 of the Palamanui Campus, \$3 million in improvements for the Ellison Onizuka Space Museum, \$300,000 for a new West Hawaii Veterans Center, and \$300,000 for the design of a new track for Kealahou High School.

"Mr. Speaker, as the Vice Chair of the Committee on Health, Rep. Dee Morikawa played an instrumental role in helping the Finance Committee navigate the complexities of the budget of the Department of Health. Family health, adult mental health, communicable disease services, disease outbreak control, vector control, alcohol and drug abuse, child adolescent mental health, and developmental disabilities are just a small sample of the critical and complex programs under the purview of the Committee for which Rep. Morikawa is the Vice Chair. As you can see, none of these are easy issues and budgeting demands to contend with, but Rep. Morikawa did so in a tough but empathetic manner.

"Mr. Speaker, Rep. Takashi Ohno is one of those legislators eager to learn about the details of the legislative process. He appears to have

brought his passion as an educator in his previous life in the DOE to the House of Representatives. Because of his assignment as Vice Chair of the House Committee on Education, he was unable to be a part of the Finance Committee. However, that did not prevent him from asking intelligent, relevant and insightful questions about the budget and its process. Rep. Ohno, in his approach to being a Representative, brings the attitude of a lifelong learner, and I appreciate the numerous discussions that we've shared.

"Curiosity may be an admirable trait, but at the end of the day, we must meet the needs of the people that send us here, and that's exactly what Rep. Ohno has done. In addition to being actively involved in the Early Learning initiative and making sure that we implement such a program efficiently, he helped secure over \$7 million for the Pre-School Open Doors program. He was also able to secure \$168,000 for improvements at Likelike Elementary School, including the playground and basketball court, and improvements at Kauluwela Elementary School that included air conditioning for the cafeteria.

"Mr. Speaker, I really want to thank Rep. Onishi for his enthusiastic, open, and honest approach to government and the legislative process. It was always a pleasure to discuss issues with him, and in particular, the agriculture issues that are so important to sustainability for all of Hawaii's people.

"In addition to major work on the budget of the Department of Agriculture, Rep. Onishi performed admirably in securing \$1.5 million for livestock revitalization programs and over \$200,000 for Future Farmers of America programs in our schools and irrigation systems statewide.

"Mr. Speaker, our newest Member on the Finance Committee, Rep. Justin Woodson, deserves extra kudos for the tough job he had in getting up to speed quickly for the volume of work done by the Finance Committee. Despite the fact that he missed our pre-session budget briefings, he was able to provide invaluable contributions in budget deliberations and funding decisions. As the Vice Chair of the Housing Committee, he tackled some of the hardest and most controversial issues of the session regarding homelessness and affordable housing and was instrumental in appropriating \$3 million for a comprehensive array of priority programs.

"At the same time, Mr. Speaker, Rep. Woodson was able to secure critical funding for Maui including \$4.7 million to build a Central Maui region Sports Complex, \$6 million for improvements to Kahului Harbor, and \$500,000 for Maui Economic Opportunity facilities."

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

"Mr. Speaker, I rise in strong support. Mr. Speaker, I first want to thank our House leadership and my fellow colleagues for the opportunities to participate, to learn and to experience what I consider to be the most important part of our democratic form of government, our legislative process. As a freshman, I'm also appreciative to you, our leadership and all of my fellow colleagues in both the House and Senate for the guidance, support, inspiration and shared knowledge that has helped me to proudly contribute in my small way to the budget that is before us.

"Mr. Speaker, this budget, although not a perfect plan, has important, positive measures that I'm sure my fellow colleagues will expound upon, but I would like to highlight some of the agricultural provisions that are very important to my district, Hawaii Island and the state.

"Mr. Speaker, included in this budget is the continued recognition of the importance of agricultural sustainability and the need to provide greater support to our farmers, ranchers, and those that would choose to make this difficult and back breaking profession their livelihood. This budget includes over \$15 million in state and federal funding to support to bring valuable water throughout the state via irrigation projects that stems from the south point of Hawaii Island to the east and west sides of Kauai.

"We all know the importance of the Department of Agriculture's programs to prevent the introduction of invasive species, and this budget

includes funding for additional inspectors to be able to add to this department's cause.

"This budget includes the recognition that to support our livestock industries we need to aggressively develop local feed sources, and has allocated \$600,000 for the purchase of a biodigester which is planned for a project in Kunia, and \$1.5 million for livestock feed subsidies. This biodigester will convert food waste into livestock feed, a process first tested in our small community of Kurtistown in my district.

"This budget provides over \$2 million to increase funding and loan availability to more potential farmers, and also provides for loans for biosecurity improvements. Besides other important initiatives, we have made commitments to the education of our children who would like to be our future farmers and ranchers by providing \$75,000 per year to both the Future Farmers of America program in the Department of Education and to the 4-H program provided by the University of Hawaii, College of Tropical Agriculture Extension Service.

"Again, I stand in strong support of this budget. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. I'd like to highlight some of this budget's emphasis on education. First of all, this budget adds \$12.9 million in General Funds for the weighted student formula. This funding goes directly into our classrooms to support educational activities for students, teachers and principals. This is crucial for the livelihood of our schools.

"It also adds \$8.2 million for a pilot program of common core digital materials. This DOE initiative is to give every child from grades 3 to 12 either a tablet or laptop to enhance their educational experience, and is one of the many initiatives to move our schools into the 21st century.

"Finally, it also adds \$700,000 in General Funds for library books and materials. It includes physical books and e-books. Libraries have not received this funding for four years.

"This budget also supports our Hawaiian language schools as well as transforming our charter schools. I'm deeply grateful and proud of the work that this budget shows in our commitment to our public schools and libraries. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. I want to thank the Chair and Vice Chairs, the members of the Finance Committee, the staff and everyone else who has worked so hard on this budget. Many important programs, projects and positions are supported in this budget and I'll highlight a few that are important for our management of natural resources.

"This budget will support our watershed protection goals, the importance of which cannot be overstated as watersheds are our source of drinking water. This budget adds 13 positions to DLNR for watershed management and an additional 8 positions and \$1.3 million for quality management and monitoring of environmental resources. These positions support programs for watershed and surface water quality monitoring, water reuse, green house gas emissions monitoring, air pollution control, federal and state clean water regulations, and solid waste permitting and monitoring.

"This budget also adds \$1.5 million in General Funds for the Hawaii Invasive Species Council. This will restore funding to support invasive species control, bringing general funding closer to historic levels.

"Finally, this budget adds \$355,000 in Fiscal Year '14 for the Hawaii Refinery Task Force to be used to assess the economic situation of the pending closure of the Tesoro Petroleum Refinery and the potential closure of the Chevron Refinery.

"Again, these are just a few of the many worthwhile programs that have been supported in this budget. Sitting on the Finance Committee has been

exciting and very educational and I look forward to our continued work next session."

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

"Thank you, Mr. Speaker. Mr. Speaker, this budget makes great strides in both the Kupuna Caucus priority goals as well as higher education.

"For example, in higher education we are adding \$1.2 million for the UH Medical Schools Native Hawaiian Center of Excellence to recruit, help train and support future Native Hawaiian Physicians. To support science, technology, engineering and math, also known as STEM initiatives, we are adding nine positions and \$3 million for professional development of middle school teachers in STEM subject matter areas.

"To support the development of our new West Oahu campus, we are adding 10 positions and \$3 million in each of the next two years, plus providing \$11.8 million for design and construction of an allied health building. At the Honolulu Community College we are providing \$38 million for the design and construction of an advanced science and technology facility.

"Furthermore, we are addressing the needs of our growing senior citizen population by meeting, as I said, the top priority goals of our Kupuna Caucus. For a feasibility study and actuarial analysis of a public long-term care insurance program, we are providing \$380,000. This was the top recommendation of last year's Hawaii Long Term Care Commission to help residents pay for future long term care services.

"We are adding \$4 million for *kupuna* care services which help feed, transport and assist seniors, plus establish a coordinator for Alzheimer's disease and related dementia services, and we are funding a healthy aging partnership program in the executive office of aging.

"Finally, we are providing \$1.4 million to implement a statewide system of aging and disability resource centers, also known as ADRCs, which are one-stop-shops to assist persons seeking long-term care services for themselves or their loved ones.

"Mr. Speaker, on behalf of the Kupuna Caucus and those who are *kupuna* at heart, I wish to thank our colleagues for advancing the needs and meeting the needs of our society now and into the future. Thank you very much."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, I would like to also express my sincerest *mahalo* to the Finance Chair, Vice Chairs and colleagues, and especially to the awesome staff for all their support, guidance, and assistance in this whole process. Thank you. I need to also commend the Health Chair for a job well done in getting great policy passed this session. Her talent and skill was instrumental in getting things done, and I look forward to more great things to come. Thank you, Chair.

"At this time, I would like to share some highlights in the Health budget. We added \$1.4 million General Funds for each year for the aging and disability resource centers, \$800,000 in General Funds for each year was added for the Hale Makamae program at Kula Hospital which serves medically fragile, severely physically and developmentally disabled patients from Hawaii Island, Oahu and Maui.

"We added 12 positions and \$900,000 each year for vector control, which will support food inspectors and a permitting database that helps inspectors track food service permits. \$1 million of General Funds were added for the Hawaii Health and Information Exchange contract to support affordable healthcare statewide. We added 1 position and \$95,000 in the Children and Youth Services section to reestablish the violence prevention coordinator position which is responsible for statewide domestic violence program planning, and added \$3.75 million each year in special funds for community health centers purchase of service contracts. This funding reflects an increase in revenues from the cigarette tax beginning July 1st,

2013, and supports comprehensive primary care and emergency health care services for uninsured and underinsured individuals. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In support. Affordable housing continues to be one of our primary issues here in Hawaii. I am happy that \$1.5 million was allocated for the asset management projects. These funds will help improve responses for fair housing issues.

"But there are those, Mr. Speaker, who do not have housing at all. Thousands are homeless, Mr. Speaker. More and more fall into this horrific situation every day. I am very happy that the Finance Committees were able to set aside \$750,000 in General Funds for this Housing First Program. This is a great model, Mr. Speaker. It has shown success here in Hawaii and around the country.

"Last thing, Mr. Speaker, with respect to our veterans. We can't do what we do here if our soldiers don't do what they do out there, Mr. Speaker. So when it comes to supporting our soldiers, we must do what we can. I am extremely grateful that five new counselor positions, adding roughly \$875,000 over the next biennium for the Office of Veterans Services, is incorporated into the budget. These new positions will help alleviate work load pressures so that more services can be provided for our most deserving population, Mr. Speaker. Thank you."

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

"Mr. Speaker, I rise in support. Mr. Speaker, for me this has been a pleasant and productive session thanks to the Chair of Human Services from the County of Maui and also to our Finance Chair.

"In the Human Services area, the biggest program by far is the QUEST Medicaid program. This is an enormous program and the Legislature this year added a total of over \$500 million to this program. Most of this of course was federal money. Nonetheless, these funds will expand various aspects of QUEST Medicaid, primary care, acute care facility rates, Affordable Care Act from the federal government, and also services for our Micronesian friends and relatives, and mentally ill children up to age 26.

"To support the program which is now approximately \$3.9 billion over the biennium, great strides were made over the last few years and this year in improving the electronic and system capabilities of the QUEST Medicaid program. This year there was an add-on of \$23 million for the biennium, federal and state funds, for this program. Please note that of the \$23 million, over \$20 million are federal funds, not state funds. These improvements in electronic and system aspects will allow the Medicaid eligibility system to improve and expand, allow the Medicaid health information technology plan to proceed. Both are vital aspects in providing timely and accurate information, enhanced eligibility and enrollment for people in the QUEST Medicaid program.

"Another big area of improvement this year had to do with foster children. The foster children program has been sitting on the sidelines for many, many years. This year we saw people coming into the program asking for monthly stipend improvements which have not been increased for 22 years. You can imagine that over 22 years there has been a great deal of increase in cost and also inflation. The other aspect of foster children is that we currently have a cutoff of age 18. So this year, funds were added to increase the monthly stipends, not enough but at least a little, and also to allow the foster children to age-out on a voluntary basis at age 21, not age 18. So these are two very large aspects of improvements in human services, the QUEST Medicaid program, and the foster children program. Thank you."

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

"Mr. Speaker, in strong support. I'd like to echo the sentiments of my colleagues from the Finance Committee in extending my warmest *mahalos*

to the Chair of the Finance Committee, the Vice Chairs and their staff. I guess there is some fortune experienced by some of our freshman members of not having to experience the full-fledged freshman experience of the 2:00 a.m. Finance hearings, so that's because of our Chair and Vice Chairs extremely efficient manner of holding hearings. So for that I especially wanted to say thank you for allowing us to get home, especially the neighbor island guys, and see our friends and families on the weekend.

"I'm really grateful to be part of or having some influence in such a stellar budget this year. So although we took a very conservative and provident approach, we did highlight and not neglect to support some very important programs. In public safety, we added 94 positions for the reopening of the Kulani facility on Hawaii Island as part of the Justice Reinvestment Initiative that we passed a year or two ago to bring our prisoners home.

"We also added 10 positions and \$850,000 in General Funds over each year of the biennium for additional security at courthouses statewide. These deputy sheriffs will provide additional security to the courthouses on Oahu, Hawaii Island and Maui. I took a tour and trust me, we need it. So, we got you, Maui.

"We also added \$1 million in General Funds in both Fiscal Year '14 and '15 for increased utility costs. This department has not received any additional funding since 2006 to cover the ever increasing costs of utilities.

"So those are some of the highlights from the committee that I was also really blessed to serve as Vice Chair of, and I'd like to also thank the Chair of that committee for being a great mentor and dealing with my very rough learning curve, and having to sit through me calling the votes wrong at times.

"Also there are some highlights from the Ocean, Marine Resources, & Hawaiian Affairs. OHA added \$400,000 in General Funds in Fiscal Year '14 for health improvement projects. We also added \$9.6 million for administrative and operating expenses for the Department of Hawaiian Homelands. Lastly, we added \$600,000 in General and Federal Funds in Fiscal Year '14 to support the Recreational Fisheries program in DLNR. So *mahalo*."

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

"Mr. Speaker, I too am in strong support of HB 200. HB 200, HD 1, SD 1, CD 1 is a testament of the long, hard work of our Members, the committee and all their staff, and also our GIA and our CIP chairs. It is a carefully crafted masterpiece this session that yielded to address the needs of the people in our state.

"West Oahu is a growing community, Mr. Speaker, people are migrating from everywhere. James Campbell High School has the biggest enrollment in the entire state. Recognizing that need, HB 200 continues to appropriate for planning and design for a new high school in the area as well as appropriation for electrical upgrades and air conditioning of the current school.

"Recognizing this migration in the area, HB 200 addresses infrastructure needed for these people that are coming in. It has appropriations for the expansion of Ewa Makai Middle School and also a new elementary school and middle school called East Kapolei for now.

"HB 200 also addresses the traffic congestion that this migration gives to the district or to the area. It appropriated for the afternoon zipper lane and also improvements for H-1 for egress into the freeway to come to Waipahu and Ewa Beach, as well as widening Fort Weaver Road.

"There's more to be said that the people of Ewa Beach need to be grateful to this Body and to the Finance Chair for addressing all those needs of our people. On behalf of the constituents of Ewa Beach, I would like to say thank you. Thank you, Mr. Speaker.

"I also would like to say that as the Chairman on the Committee on Housing, HB 200 is a statement of the conscience of you, Mr. Speaker, and

this body, for appropriating for the number one need of our state, which is affordable housing. The \$9 million appropriated for HHFDC, Hawaii Housing Finance & Development Corporation, that is in charge of building affordable housing funded this year.

"I would like to say in closing that the people of Hawaii have a lot to be thankful for this body, for this is a well-crafted masterpiece of this legislative session. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in support. Mr. Speaker, I have a couple of comments on process and then on content. Mr. Speaker, I've been on the Finance Committee for a number of years. In fact, I can remember when you were a Finance Chair, when Speaker Say was Finance Chair.

"So there are a couple of things I want to give a couple of kudos to, because first was the notion of the budget worksheets were always at the last minute. This time they were quick, early, in fact, Mr. Speaker, they were even online. So I commend that transparency and that openness. That was very encouraging.

"Secondly, it was encouraging to have the staff talking very openly about what was going on in the Departments. That was refreshing. Generally there's a cat and mouse being played between the Legislature and the Executive, but it was where it was quite open and quite fruitful to what otherwise seems to have been a discussion that we never know until the last minute what really people are thinking.

"Third observation on process, Mr. Speaker, was that, and this is to all of the members of the Finance Committee as well as this body, is that we had the prudence to look ahead and not just see that the money is coming in and we should spend it because the temptation was to spend it, there's a lot of proposals, but to look at what we can squirrel away. This budget, even though it's \$24 billion, does squirrel some money away.

"Another I guess content observation is that, Mr. Speaker, times are better now, we don't have the \$3 billion that we had to cut in the last five sessions. We were cutting and cutting and cutting. Not that it makes it easier to be Finance Chair or to be on the Finance Committee, but it's more difficult to think that now we are being carried out of these doldrums by the tourism industry. The tourism industry is a very fragile industry, it goes up and down like restaurant businesses. We like it, we hate it, it's very fragile.

"Mr. Speaker, we have to diversify our economy, and I know no one spoke for ERB, the Economic Revitalization and Business Committee, but I think it's important that we mention that PISCES is in this bill. We have a chance to become the world leader in space exploration, there's a literal vacuum in the United States for space exploration, that's something that we can promote.

"It should be also mentioned that in this budget is the Hawaii Growth Initiative. The last vestige of hope for America is our entrepreneur, Mr. Speaker. This budget gives hope to some of the entrepreneurs by encouraging them, giving them capital, giving them what otherwise, America used to have all the money, now we've got basically the ideas and we have the entrepreneurship, which this budget is promoting.

"Lastly, Mr. Speaker, if there's any way I could improve any of the process, I would echo the member of the committee from Diamond Head who said, 'if we could only have a speed reading course before the gavel went down, it would have been a much better session.' Thank you, Mr. Speaker."

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

Representative Takai's written remarks are as follows:

"I speak in support of this measure. I want to thank the Finance Chair for setting the groundwork for one of the best sessions in my 19 years. She

helped to lead her committee and the entire House on a steady course. Her leadership and the guidance from the Speaker were most appreciated.

"The state and our people are better off because of this budget and for the many people who worked diligently on this excellent product.

"As the Chairman of the House Committee on Veterans, Military, & International Affairs, & Culture and the Arts, I am very happy that the need to support and provide monies to programs and services related to this subject matter committee was included in this year's State Budget.

"Recognizing the positive impact tuition assistance programs can make for Hawaii National Guard service members, the Legislature restored the Tuition Assistance Program and appropriated \$100,000 in both Fiscal Years to reinstate cuts to support recruitment and retention by means of reimbursing service members for post-secondary education costs.

"Acknowledging the importance of caring for our veterans, monies were provided for five additional Veterans Services Counselors and \$474,196 in General Funds to support veterans across the State.

"The Hawaii National Guard Youth Challenge Academy was provided \$7,155,669 in FY2013-2014 and \$7,155,669 in FY2014-2015 for operating expenses.

"In addition, \$5,900,000 in FY2013-2014 was appropriated for Hawaii National Guard Youth Challenge Academy to make upgrade and improvements at the Keaukaha Military Reservation on Hawaii Island. Specifically, the monies will be used for plans, designs, construction and equipment for two billets to house cadets of the YCA program on the island of Hawaii; provide renovation to the existing armory at Keaukaha Military Reservation for administration, classroom, restroom, storage, multi-purpose/dining area and other misc. facility and infrastructure improvements. This project is deemed necessary to qualify for federal aid financing and/or reimbursement.

"The NDWP-Kapalama Military Reservation Improvements at Honolulu Harbor was provided \$250,000,000 in FY2013-2014 for plans, design and construction for the development of a new container terminal facility and other related improvements. This is a New Day work project.

"An appropriation was made to the Oahu Veterans Council for \$2,000,000 in FY2013-2014 for plans, design and construction for phase 3 of the Oahu Veterans Center located at Foster Village.

"The West Hawaii Veterans Center on Hawaii Island was provided \$300,000 in FY2013-2014 for plans and design for site selection for a new veterans center in West Hawaii in this budget.

"Retrofit Public Buildings with Hurricane Protective Measures throughout the state will be allocated \$2,000,000 in FY2013-2014 and \$2,000,000 in FY2014-2015 for plans, land acquisition, design, construction and equipment to retrofit public buildings with hurricane protective measures and increase the number of public shelters statewide.

"The Disaster Warning and Communications Devices statewide will be provided \$2,500,000 in FY2013-2014 and \$2,500,000 in FY2014-2015 for plans, land acquisition, design, construction and equipment for the incremental addition, replacement and upgrade of state civil defense warning and communications equipment.

"Upgrade and Improvements to National Guard Facilities will be appropriated \$12,600,000 in FY2013-2014 for design and construction for improvements and upgrades to National Guard armories to conform to current National Guard Bureau standards and criteria, and to meet unanticipated health, safety and building code requirements.

"\$30,318,000 in FY2013-2014 and \$901,000 in FY2014-2015 will be provided to the Army Aviation Support Facility (AASF) at Kalaeloa for plans, design, construction and equipment of a new Army Aviation Support Facility at Kalaeloa, Oahu. The facility will be built to National Guard standards and will meet LEED silver level.

"Transpacific Landing Stations, Broadband Infrastructure Deployment statewide will be provided with \$20,000,000 in FY2013-2014 for plans, land acquisition, design, construction and equipment for submarine transpacific cable landing stations, infrastructure improvements, and broadband infrastructure deployment improvements.

"Amelioration of Physical Disasters monies provides \$500,000 for Fiscal Year 2013-2014 and the sum of \$500,000 for Fiscal Year 2014-2015 shall be expended for relief from major disasters pursuant to Section 127-11, Hawaii Revised Statutes.

"The Academy for Creative Media empowers students to express their stories through multiple digital media platforms within a context of cultural and aesthetic value. In support of expansion of the Academy's film and digital media programs statewide, \$400,000 in General Funds was provided for the 'Ulu'ulu: The Henry Ku'ualoha Giugni Moving Image Archive of Hawaii, which preserves film and videotape related to Hawaiian history and culture.

"These programs and services will continue or be enhanced because of the monies allocated in this measure. Thank you."

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

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. I would like to thank the Finance Chair, the Finance House Committee Members and especially the hard working support staff of their tireless commitment to our state budget. This year was a monumental one where this bill passed both committees in record time. As the representative for my House District, I would like to especially thank this committee for allocating funding for our Nanakuli Library.

"This capital improvement will transform the lives of an entire community. It will provide many with a quiet place to study; a place to learn; a place to find themselves. In a community with the largest concentration of native Hawaiians, the library will provide for *kupuna* to tape their oral history.

"As a silver LEED certified structure, costs will be saved. The architecture of the building will also help save additional dollars by being built in a manner which will utilize the least amount of electricity. Native plantings will use less water. This state of the art library comes at a time when we need a learning facility for this neighborhood. It is long overdue and for this I am truly grateful. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. I would just like permission to enter written comments in the Journal."

Representative McKelvey's written remarks are as follows:

"Hawaii's economy continues to recover from the great recession. The visitor industry is robust, and housing and construction are enjoying a strong rebound, so despite the federal sequester, the State of Hawaii still expects positive growth this year.

"Through this measure Hawaii will continue to be a leader in environmental protection and tourism in the acquisition of the parcel of land located at Lipoa Point. The true value of Honolua and Lipoa Point cannot thoroughly be measured by a monetary figure; to the people that care for the land and the marine-life that exist in the area, it is far more personal and subjective than any sum could allow. The archaeological and cultural significance of Honolua Bay is invaluable and priceless to the people that love it. This measure ensures that this area will be preserved, and conserved in perpetuity."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 200, HD 1, SD 1, CD 1, entitled:



"A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 51 ayes.

At 10:33 o'clock a.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 200, HD 1, SD 1, CD 1

At 10:34 o'clock a.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvene at 11:31 o'clock a.m.

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

"I have been informed by a representative of the President of the Senate that the Conference Committee Report for H.B. No. 200, HD 1, SD 1, CD 1, was adopted, and said House Bill, Relating to the State Budget, passed Final Reading in the Senate at 11:14 a.m. on this day.

"In addition, I have been informed by the Assistant Clerk of the House that at 11:16 a.m. on this day, House Bill No. 200, HD 1, SD 1, CD 1, has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

At this time, the Chair stated:

"Members, please note that on page 24, CCR No. 144, House Bill No. 546, HD 2, SD 2, CD 1, will be deferred to the end of the calendar."

**Conf. Com. Rep. No. 144 and H.B. No. 546, HD 2, SD 2, CD 1:**

By unanimous consent, action was deferred to the end of the calendar.

**CONSENT CALENDAR**

**UNFINISHED BUSINESS**

At this time, the Chair stated:

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

At 11:33 o'clock a.m., Representative Awana requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:34 o'clock a.m.

**Conf. Com. Rep. No. 13 and S.B. No. 995, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 995, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION WATER DEVELOPMENT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 14 and H.B. No. 1207, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1207, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 16 and S.B. No. 407, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 407, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

ISLAND BURIAL COUNCILS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 17 and H.B. No. 1405, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1405, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

**Conf. Com. Rep. No. 19 and H.B. No. 235, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 235, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"HB235, HD1, SD1, CD1 is a housekeeping measure which will allow restitution to include societies whose mission is to prevent the cruelty to animals. This bill will help these organizations to continue their mission to stand up against crimes against animals and help sustain the aid and welfare of these innocent human companions. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 235, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTION OF RESTITUTION FOR CRIME VICTIMS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 20 and S.B. No. 1118, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1118, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 25 and H.B. No. 848, HD 2, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 848, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH INSURANCE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 27 and H.B. No. 587, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 587, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. First, I would like to thank the introducer of this measure. Sometimes, those who are dating fall prey to abuse from their counterpart. This bill will provide law enforcement with the tools necessary to ensure safety for the individual being abused. In addition, it extends the length of time that couples are separated. HB 587, HD1, SD1, CD1 will help save lives. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 587, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 28 and H.B. No. 805, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 805, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FEDERAL TAX QUALIFICATION OF THE EMPLOYEES' RETIREMENT SYSTEM," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 32 and H.B. No. 87, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 87, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. I would like to thank the members of the Judiciary Committee and the members of the Conference Committee for their efforts to ensure the intent of this measure is articulated in the language of this bill. Trespassing continues to be problematic in public housing projects. Many times, trespassing takes place and this measure has addressed the concerns of the residents who live in our Public Housing facilities. I am sure that we can all agree that their safety is of the utmost importance. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 87, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 33 and H.B. No. 888, HD 2, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 888, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISPOSITION OF PERSONAL PROPERTY ON PUBLIC HOUSING PROPERTIES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 34 and H.B. No. 1381, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1381, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Takai's written remarks in support of the measure are as follows:

"Mr. Speaker, I stand in support of this bill. The purpose of this measure is to assist Hawaii's servicemen, servicewomen, and their spouses when determining qualifications for an occupational license. It acknowledges the undue economic hardship placed upon service members and their families. When service members are stationed across different states and countries, spouses must find different jobs or become relicensed in their professional and vocational fields. This can become an undue burden, and can make it especially difficult for a military family to survive with a single-income household. This bill will allow spouses to practice their respective careers by allowing them licensure in a timely manner.

"HB1381 amends Section 436B-14.7 of the Hawaii Revised Statutes to include both nonresident and resident military spouses and limits licensure to spouses who are present in Hawaii for at least one year due to military orders. The amendments also give more flexibility for the licensing authority, the Department of Commerce and Consumer Affairs (DCCA), to issue licenses by endorsement and reciprocity.

"The amendments mentioned in the bill also limit the scope of the existing law by implementing certain safeguards. Service members of said spouses must be in good standing in any branch of military, be it active or reserve, and must also be stationed in Hawaii for at least a year. It's important to recognize that, though the existing law is intended to ease the hardship on military families traveling throughout our nation and world,

we cannot extend this exemption to those who have not proven their personal, vocational and professional responsibilities.

"This measure will also improve our state's professional and vocational markets. I believe it will enhance the lives of Hawaii residents by filling the shortages being experienced in some professional areas. Furthermore, the five year cap on the licensure correlates with the service members' rotational tour. This is not intended to be an indefinite exemption, but is rather a temporary relief for those qualified military service members and spouses who must often move. The cap does not allow for enough time for spouse license holders to establish their own practices, but rather allows an expedited license to be issued to qualified candidates. This will allow them to contribute to an already established local practice without taking away job positions from local residents.

"If approved by the Governor, this bill will be a part of our Military Appreciation Package. The Military Appreciation Package was created to support the efforts of our men and women who have served throughout our history and all who now serve in uniform and their families, as well as, those Americans who have given their lives in defense of our freedoms we all enjoy today.

"The pieces of legislation that comprise the Military Appreciation Package address some of the many challenges facing our military personnel and their families, including significant recruitment and retention issues, especially for the National Guard and Reserves. It honors, remembers, recognizes and appreciates all military personnel.

"Every session, my staff and I work closely with legislators in the House and Senate, representatives from the active, Guard, and Reserve branches of the military, veteran groups, and concerned individuals to address the needs of our military men and women and their families.

"This session, the package includes 12 bills, 12 resolutions, and over \$333 million in FY 2013-2014 and \$132 million in FY 2014-2015 in funds to build or improve facilities, provide tuition assistance, fund positions and provide program operating expenses.

"Over the past ten years, we have introduced various measures to address veterans' cemeteries improvements, educational benefits and tuition assistance for service members, creating the Gold Star Family license plates, military base capital improvement projects, tax exemptions on vehicles, adjustment of deadlines for state and city elections to accommodate overseas voters, and funding for the National Guard Youth Challenge Academy. If there is any way we can assist the needs of our military men and women and their families, you can be sure we will find it.

"May is National Military Appreciation Month, as designated by Congress, and provides a time and place on which to focus and draw attention to our many expressions of appreciation and recognition of our armed services via numerous venues, and also to recall and learn about our vast American history.

"It recognizes those on active duty in all branches of the services, the National Guard and Reserves plus retirees, veterans, and all of their families – well over 90 million Americans and more than 230 years of our nation's history.

"On May 1, 2011, President Barack Obama delivered the news that many families, soldiers and veterans have waited for nearly a decade to hear. Word of Al Qaeda leader Osama Bin Laden's death caused a national – and even international – pent-up sigh of relief.

"But with relief also came memories . . . memories of those who could not be here with us to celebrate the news – those whose deaths have led us to this day.

"On the fateful sunny Tuesday morning in September just twelve years ago, 2,819 U.S. citizens in New York, Pennsylvania, and Washington D.C. would not live to see September 12. With heavy hearts, we also bid 'aloha' to members of our own Hawaii *ohana*: Georgine Corrigan, Christine Snyder, Heather Ho, Maile Hale and Rich Y.C. Lee.

"In response, U.S. military forces activated around the country and in our global bases on a mission to bring those responsible for the heinous murders to justice. We discovered soon after that the man taking credit for the attacks was Osama Bin Laden. From then on, the U.S. led a worldwide man hunt for him.

"Since 2001, countless valiant members of our U.S. Army, Navy, Air Force, Marine Corps, and Coast Guard (including our Army and Air National Guard) have given their lives in this pursuit. As President Obama solemnly reaffirmed, 'The American people did not choose this fight. It came to our shores, and started with the senseless slaughter of our citizens. After nearly 10 years of service, struggle, and sacrifice, we know well the costs of war.'

"Freedom isn't Free' isn't just a catchy bumper sticker – it's a declaration that those who defend our country with their lives do so for the millions of other Americans they have never and will never meet.

"One of the most unfortunate consequences of war is the loss of our men and women in uniform. The establishment of the Hawaii Medal of Honor in 2005 has allowed the Legislature and the entire State of Hawaii to recognize military personnel with Hawaii ties killed in action.

"The Legislature held, for the eighth time, a joint session this past March to honor and award Hawaii's fallen soldiers and their families with the Hawaii Medal of Honor. A total of 327 service members have been honored since March 29, 2003.

"With this, Members, I'm sure that you understand that the significance of this measure extends far beyond this Chamber, and understand what the implications of existing law means for both military spouses and the residents of Hawaii. What we do affects individuals and families alike, and this measure will work to help civilian and military personnel and their families. I believe that the amendments in HB1381 equally support both interests, and works to best support military families and local jobs while establishing a limit on licensure.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1381, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL AND VOCATIONAL LICENSING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 35 and H.B. No. 656, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 656, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE ADMINISTRATIVE UNIFORMITY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 36 and H.B. No. 423, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 423, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BUREAU OF CONVEYANCES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 37 and S.B. No. 239, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 239, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 41 and S.B. No. 1161, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1161,

SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO VESSELS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 46 and S.B. No. 697, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 697, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AEROSPACE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 49 and S.B. No. 1042, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1042, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PUBLIC UTILITIES COMMISSION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 59 and S.B. No. 1176, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1176, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PAROLING AUTHORITY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 61 and S.B. No. 6, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 6, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 64 and S.B. No. 192, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 192, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROSTITUTION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 70 and H.B. No. 1187, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1187, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 71 and H.B. No. 398, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 398, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 73 and H.B. No. 951, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 951, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE SERVICE OF PROCESS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 78 and S.B. No. 655, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 655, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Cachola voting no.

**Conf. Com. Rep. No. 79 and S.B. No. 548, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 548, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Takai's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support of this measure. Telemedicine is a modern necessity borne of technology. It requires using telecommunication and information technologies in order to provide clinical health care at a distance, ideally for those living in more isolated communities. It works to improve access to medical services, and also works to save lives in critical care and emergency situations. Furthermore, telemedicine offers a more diverse contribution to regionalized medical fields, and also encourages sharing and advancements of medical procedures and ideas.

"The measure before us today works to amend Section 453-2 of the Hawaii Revised Statutes to expand the field of those allowed to practice telemedicine by exempting specific military medical professionals from the telemedicine licensing requirement. Originally, this exemption applied to any commissioned medical officer specifically in the United States Armed Forces or public health services.

"The amendments further this exemption, including commissioned medical officers and psychologists employed by the US Department of Defense (DOD) and credentialed by Tripler Army Medical Center (TAMC) from the telemedicine licensing requirement. Note that, to be eligible for exemption, qualified commissioned medical officers and psychologists must be providing direct telemedicine support or services to neighbor island beneficiaries within a Hawaii National Guard armory on Kauai, Hawaii, Molokai and Maui.

"These amendments are directly intended to provide National Guard personnel and their spouses on neighbor islands with better and more diverse access to medical services. With a wider pool of telemedicine providers and doctors, more people will have better, accessible and more efficient medical service. Ideally, less would have to travel to other islands to get the procedures and treatments that they need. Less people would have to sacrifice quality of medical service for convenience, because more would be convenient.

"This measure is practical, Members, and necessary. It will not only improve medical service across the islands, but will also save time and money for those who serve not only our great country – but those who also serve our great state as Hawaii National Guardsmen.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 548, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TELEMEDICINE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 81 and S.B. No. 102, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 102, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. More and more often, I have received phone calls of suspected financial abuse of our elderly. Others prey upon our *kupuna* who have spent most of their lives saving for retirement. This measure will require financial institutions to report suspected financial abuse. This measure is a positive step in the right direction to protect this vulnerable and fragile group. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 102, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ELDERLY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 84 and S.B. No. 1003, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1003, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INFORMATION TECHNOLOGY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 93 and S.B. No. 1340, SD 2, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1340, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. This measure allows those who are in foster care to care and supervise youth until the age of 21 instead of 18. Testimony provided by youth had shared their support for this bill as it will help to continue their transition from youth to adulthood. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1340, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FOSTER CARE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 99 and S.B. No. 326, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 326, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 100 and H.B. No. 762, HD 2, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 762, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WASHINGTON PLACE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 103 and H.B. No. 1136, HD 2, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1136, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Takai's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support of HB1136. The Civil Air Patrol provides a valuable, timely, and cost-effective service during natural disasters. It provides proficiency in search and rescue activities and performs tsunami warning missions for citizens of Hawaii.

"Lieutenant Colonel Ronald Baird, a senior member of the Hawaii Civil Air Patrol and Government Affairs Advisor for the Hawaii Wing, supports this bill. He pointed out the value of the Civil Air Patrol was evident during our most recent tsunami events. The Civil Air Patrol was able to provide pictures, in real time, of property damage. Upon the 'all clear,' the Civil Air Patrol assisted with assessing the damages. The Civil Air Patrol was able to perform these public service activities at minimal cost to the government, mostly of its pilots trained in performing the tsunami mission, as they could fly at low altitude over beaches and low-lying areas and warn people through loudspeakers. The funds provided to the Department of Defense will assure that Hawaii has certified pilots, observers, and scanners who can respond to emergencies when called upon.

"The Civil Air Patrol also coordinates its cadet program, which promotes character development, professional skills and aerospace education, and many of the cadets go on to serve in the military.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. This measure allocates funding for the Hawaii Civil Air Patrol. Contrary to belief, the Hawaii Civil Air Patrol is not financially attached to a military branch. The work that they provide during times of natural disasters or possible disasters is provided through private means even though the work they provide is in the interest of public safety. In addition, they have programs for youth to teach and train young adults who may be interested in aviation as a career. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1136, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CIVIL AIR PATROL," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 104 and H.B. No. 1279, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1279, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SAFETY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 108 and H.B. No. 471, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 471, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STARLIGHT RESERVE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 110 and H.B. No. 928, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 928, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CERTAIN FUNDS UNDER THE DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 111 and H.B. No. 977, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 977, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 112 and H.B. No. 218, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 218, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE CORRECTIONS POPULATION MANAGEMENT COMMISSION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 113 and H.B. No. 1430, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1430, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN SERVICES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 122 and H.B. No. 1424, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1424, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE

ACQUISITION OF RESOURCE VALUE LANDS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 123 and H.B. No. 266, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 266, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LANGUAGE ACCESS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 127 and S.B. No. 614, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 614, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Takai's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support of SB614. We should honor the memory of the late United States Senator Daniel K. Inouye and the late United States Representative Patsy T. Mink. They served the people of Hawaii and have inspired current and future generations.

"We should honor Daniel Inouye, one of the highest-ranking Asian-American politicians in American history and a highly honored veteran. He served our country in the 442nd Regimental Combat Team and received numerous honors, including the Medal of Honor. As one of the most important governmental figures in Hawaii, Senator Inouye served as the most-senior member of the U.S. Senate and the second-longest-serving senator in U.S. history and was also the first Japanese American to serve in the U.S. Senate and the U.S. House of Representatives.

"We should also honor Patsy Mink, who fought for equality. Congresswoman Mink overcame gender and racial discrimination to become the first woman of color and first Asian American woman elected to Congress, the first woman elected to Congress from Hawaii, and the first Asian American to seek the presidential nomination of the Democratic Party in 1972. She authored Title IX Amendment of the Higher Education Act, also known as the Patsy Mink Equal Opportunity in Education Act.

"Eva Laird Smith, the executive director of the Hawaii State Foundation on Culture and the Arts, who supported the intent of this bill, noted that Senator Inouye and Congresswoman Mink have greatly contributed to the people's Hawaii and deserve more than a single effort to memorialize them. Commissioning works of art to honor their legacy in our state will inspire generations to come and is a most fitting tribute that will last in perpetuity.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 614, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC WORKS OF ART," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 128 and S.B. No. 635, SD 1, HD 3, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 635, SD 1, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMAL CRUELTY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 134 and S.B. No. 1206, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1206, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAX COLLECTION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 135 and S.B. No. 1280, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1280, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A SEAWATER PROJECT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 136 and H.B. No. 353, HD 1, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 353, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Nakashima's written remarks in support of the measure are as follows:

"This is very important legislation, which will appropriate \$250,000 in matching funds for each year of the 2013-2015 fiscal biennium for the Department of Agriculture to research and develop methods for the prevention and treatment of coffee berry borer infestations. This is a key next step to investigate and develop best practices for guarding against threats that are specific to the environment in Hawaii. This bill also seeks to fund control and mitigation efforts to minimize damage from the coffee berry borer that will help to prevent damage to coffee crops on Hawaii Island as well as the rest of the state. To accomplish this, this bill will appropriate an additional \$300,000 in matching funds for the 2013-2014 Fiscal Year. In this small way, we will take substantive steps forward to protecting the valuable Big Island coffee industry.

"Freshman Representative Nicole Lowen of Kona deserves special recognition for working diligently in guiding this important bill through the legislative process to ensure that we address this serious threat to Hawaii's coffee industry."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 353, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 139 and H.B. No. 417, HD 2, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 417, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Nakashima's written remarks in support of the measure are as follows:

"HB417 is important legislation, which will provide funds for the Medical Residency program at the Hilo Medical Center. The core of this program is the training of 12 medical residents – four students per year for three years – in the critical need areas of family practice and primary medical care. Studies show that medical doctors often set up practice where they receive their residency training, so it is logical for the State of Hawaii to provide training for these young medical professionals in less urban and rural areas of the state that are severely underrepresented. The \$1.8 million goes a long way in meeting the \$2 million price tag for the build-out of the residency program until federal doctor training funds become available when the program is fully established after the third year.

"Beyond this funding, there is an additional need for \$800,000 to provide for the interdisciplinary studies of this primary care training program. The Patient-Centered Medical Home (PCMH) is a team-based health care delivery model led by a physician that provides comprehensive and continuous medical care to patients with the goal of obtaining maximized health outcomes. In this model, nurse practitioners, psychologists and pharmacists work together with a medical doctor to provide necessary care while lowering costs and increasing the number of patients served.

"I would like to thank House Health Committee Chairperson Della Au Belatti for her leadership and support of this important program, which will greatly improve our ability to provide for the medical needs of Hawaii residents."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 417, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HEALTH SYSTEMS CORPORATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 140 and H.B. No. 908, HD 2, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 908, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII HOME VISITING PROGRAM," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Rhoads voting no.

**Conf. Com. Rep. No. 143 and H.B. No. 749, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 749, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Nakashima's written remarks in support of the measure are as follows:

"Mr. Speaker, the Hawaii Agriculture Workforce Advisory Board is an important first step to address our goal of promoting agricultural self-sufficiency in the state. Through a coordinated and deliberate effort between our educational institutions and farmers, we hope to reverse the downward trend in the number of viable farmers and ranchers currently making a living in agriculture by increasing the carrying capacity of the industry through the training and development of a new generation of leaders with the vision and goal of agricultural self-sufficiency."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 749, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKFORCE DEVELOPMENT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 148 and S.B. No. 498, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 498, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 151 and S.B. No. 722, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 722, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GOVERNMENT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 152 and S.B. No. 5, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 5, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC LANDS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 153 and S.B. No. 244, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 244, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. In light of the ranking from the National Alliance for Public Charter Schools, I believe this measure will help in the alignment of our Hawaii Public Charter Schools to become accountable while keeping the interest of their students as a priority. The work from the Conference Committee Chairs along with the support from their respective committee members have helped to tighten the language of this bill. In particular, I am happy to know that the efforts from Act 130 from the 2012 session has helped build Hawaii in their rankings. This measure continues this effort in hopes that our charter schools will continue to move up from their initial rank in 2011 of 35th, to 14th in 2012. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 244, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 156 and S.B. No. 551, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 551, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Takai's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support of this bill. As many of us know, the United States has had a tumultuous history in the Middle East over the past three decades. This history cannot be ignored. The Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, Operation New Dawn, the Global War on Terrorism, Homeland Defense, and Operation Noble Eagle were the wars of this generation and its veterans and heroes must be honored.

"Hawaii has already dedicated the Korean-Vietnam War Memorial on the grounds of the State Capitol to remember those in Hawaii who sacrificed their lives for others during these wars. For some of us, these wars directly affected our generation or our parents' generation. This memorial holds special significance for those who can remember what it felt like during those times of hardship. We could relate to our Korean and Vietnam War veterans who gave their lives to serve their country; they were our classmates, our relatives, our peers and our friends. We remember who they were. We remember their stories in the news, and the memorial serves both as tribute to their sacrifice, tribute to the wars' living veterans, and as a beacon of hope for us.

"The veterans and families of these Middle East wars also deserve to have the same tribute because they too sacrificed everything for our nation. After 9/11, our security was shattered, our country broken, and we mourned for those lost. Though we in Hawaii are separated from the continental US, distance did not separate our collective grief and resolve to prevent another 9/11 attack from occurring. Local men and women did not merely endure, but instead joined the armed services, intent on rebuilding what our nation lost, and left home to enter lands of uncertainty and conflict. Service members from Hawaii gave and lost their lives. Though memorializing their sacrifice cannot possibly express the extent of gratitude of our state, it serves to remind veterans and family members that we do not forget those who have sacrificed everything.

"This memorial established for the veterans of the Persian Gulf War, Operation Desert Storm, Operation Iraqi Freedom, Operation Enduring Freedom, Operation New Dawn, the Global War on Terrorism, Homeland Defense, and Operation Noble Eagle would honor this generation's heroes, veterans, and military families, and would remind them that there is hope in loss, that there can be honor in death, and that freedom does not come without a price.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. To recognize the sacrifice and contribution to our state and this country is the least that we can do for our veterans. I believe a memorial would be an appropriate sign of our appreciation for their effort. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 551, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO A MEMORIAL," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 158 and S.B. No. 1256, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1256, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PACIFIC INTERNATIONAL SPACE CENTER FOR EXPLORATION SYSTEMS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 159 and S.B. No. 23, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 23, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A SEAWATER AIR CONDITIONING PROJECT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 163 and S.B. No. 106, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 106, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. As our elderly population continues to grow, I believe the actions of this measure will address the challenges faced by our *kupuna*, and those who care for them. As a former member of the Aging in Place Task Force, the issues surrounding mobility management, care for our elderly, and Alzheimer's and dementia services were discussed. I am glad to see that action is now being taken to address these and other issues through SB106, SD1, HD1, CD1. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 106, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 164 and S.B. No. 911, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 911, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 169 and S.B. No. 1124, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1124, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DIETITIAN LICENSURE SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

At 11:35 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 995, HD 1, CD 1  
H.B. No. 1207, HD 1, SD 1, CD 1  
S.B. No. 407, SD 1, HD 2, CD 1

H.B. No. 1405, HD 2, SD 2, CD 1  
 H.B. No. 235, HD 1, SD 1, CD 1  
 S.B. No. 1118, SD 1, HD 1, CD 1  
 H.B. No. 848, HD 2, SD 1, CD 1  
 H.B. No. 587, HD 1, SD 1, CD 1  
 H.B. No. 805, HD 1, SD 2, CD 1  
 H.B. No. 87, SD 2, CD 1  
 H.B. No. 888, HD 2, SD 1, CD 1  
 H.B. No. 1381, HD 2, SD 2, CD 1  
 H.B. No. 656, HD 2, SD 2, CD 1  
 H.B. No. 423, SD 1, CD 1  
 S.B. No. 239, SD 1, HD 2, CD 1  
 S.B. No. 1161, SD 1, HD 2, CD 1  
 S.B. No. 697, HD 1, CD 1  
 S.B. No. 1042, SD 2, HD 1, CD 1  
 S.B. No. 1176, SD 1, HD 2, CD 1  
 S.B. No. 6, SD 1, HD 1, CD 1  
 S.B. No. 192, HD 1, CD 1  
 H.B. No. 1187, SD 2, CD 1  
 H.B. No. 398, HD 1, SD 2, CD 1  
 H.B. No. 951, HD 1, SD 2, CD 1  
 S.B. No. 655, SD 2, HD 2, CD 1  
 S.B. No. 548, SD 1, HD 2, CD 1  
 S.B. No. 102, SD 2, HD 1, CD 1  
 S.B. No. 1003, SD 2, HD 1, CD 1  
 S.B. No. 1340, SD 2, HD 2, CD 1  
 S.B. No. 326, SD 1, HD 1, CD 1  
 H.B. No. 762, HD 2, SD 1, CD 1  
 H.B. No. 1136, HD 2, SD 1, CD 1  
 H.B. No. 1279, HD 1, SD 2, CD 1  
 H.B. No. 471, HD 1, SD 1, CD 1  
 H.B. No. 928, HD 1, SD 1, CD 1  
 H.B. No. 977, HD 2, SD 2, CD 1  
 H.B. No. 218, HD 1, SD 2, CD 1  
 H.B. No. 1430, HD 2, SD 2, CD 1  
 H.B. No. 1424, SD 2, CD 1  
 H.B. No. 266, HD 1, SD 2, CD 1  
 S.B. No. 614, SD 1, HD 2, CD 1  
 S.B. No. 635, SD 1, HD 3, CD 1  
 S.B. No. 1206, SD 1, HD 1, CD 1  
 S.B. No. 1280, SD 2, HD 1, CD 1  
 H.B. No. 353, HD 1, SD 2, CD 1  
 H.B. No. 417, HD 2, SD 1, CD 1  
 H.B. No. 908, HD 2, SD 1, CD 1  
 H.B. No. 749, HD 2, SD 2, CD 1  
 S.B. No. 498, SD 2, HD 1, CD 1  
 S.B. No. 722, SD 2, HD 1, CD 1  
 S.B. No. 5, SD 1, HD 1, CD 1  
 S.B. No. 244, SD 2, HD 1, CD 1  
 S.B. No. 551, SD 2, HD 1, CD 1  
 S.B. No. 1256, SD 1, HD 2, CD 1  
 S.B. No. 23, SD 1, HD 1, CD 1  
 S.B. No. 106, SD 1, HD 1, CD 1  
 S.B. No. 911, SD 1, HD 1, CD 1  
 S.B. No. 1124, SD 1, HD 1, CD 1

At 11:35 o'clock a.m., Representative Awana requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 11:36 o'clock a.m.

At this time, the Chair stated:

"Members, please note that the House previously gave notice of intent to agree to the following bills."

Representative Saiki moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Awana and carried:

H.B. No. 791, HD 1, (SD 1)  
 H.B. No. 847, HD 2, (SD 1)

H.B. No. 514, HD 2, (SD 1)  
 H.B. No. 529, HD 1, (SD 2)  
 H.B. No. 879, HD 2, (SD 1)  
 H.B. No. 880, HD 2, (SD 2)  
 H.B. No. 1328, HD 1, (SD 1)  
 H.B. No. 1388, HD 1, (SD 1)  
 H.B. No. 1412, (SD 2)

The Chair addressed the Clerk who announced that the record of votes for the appropriate measures had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measures to the Floor for final disposition.

#### **H.B. No. 791, HD 1, SD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 791, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO NONPROFIT CORPORATIONS," passed Final Reading by a vote of 51 ayes.

#### **H.B. No. 847, HD 2, SD 1:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 847, HD 2, on the following showing of Ayes and Noes:

Ayes, 4 (Belatti, McKelvey, Jordan and Fukumoto). Noes, none. Excused, 1 (Yamane).

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 847, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO ENFORCEMENT TOOLS TO IMPROVE PATIENT SAFETY," passed Final Reading by a vote of 51 ayes.

### **FINAL READING**

#### **H.B. No. 514, HD 2, SD 1:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 514, HD 2, on the following showing of Ayes and Noes:

Ayes, 3 (Cabanilla, Woodson and Ward). Noes, none. Excused, 1 (Carroll).

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 514, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Final Reading by a vote of 51 ayes.

#### **H.B. No. 529, HD 1, SD 2:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 529, HD 1, on the following showing of Ayes and Noes:

Ayes, 3 (Carroll, McKelvey and Cachola). Noes, none. Excused, 2 (Cabanilla and McDermott).

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 529, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO CARE HOMES," passed Final Reading by a vote of 51 ayes.



**H.B. No. 879, HD 2, SD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 879, HD 2, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOSPITAL SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 51 ayes.

**H.B. No. 880, HD 2, SD 2:**

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 880, HD 2, SD 2, entitled: "A BILL FOR AN ACT RELATING TO THE NURSING FACILITY SUSTAINABILITY PROGRAM," passed Final Reading by a vote of 51 ayes.

**H.B. No. 1328, HD 1, SD 1:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1328, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Hanohano, Cullen, Evans and Fale). Noes, none. Excused, none.

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1328, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE KAHO'OLAWA ISLAND RESERVE," passed Final Reading by a vote of 51 ayes.

**H.B. No. 1388, HD 1, SD 1:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1388, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Wooley, Onishi, Morikawa and Cheape). Noes, none. Excused, none.

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 1388, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS TO ASSIST A PROCESSING ENTERPRISE," passed Final Reading by a vote of 51 ayes.

**H.B. No. 1412, SD 2:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 1412, on the following showing of Ayes and Noes:

Ayes, 3 (Hanohano, Evans and Fale). Noes, none. Excused, 1 (Kawakami).

Representative Saiki moved that H.B. No. 1412, SD 2 pass Final Reading, seconded by Representative Awana.

Representative Coffman's written remarks in opposition to the measure are as follows:

"This bill asks the Department of Boating and Ocean Recreation to 'accommodate' native Hawaiian Canoes. The word 'accommodate' lacks clear legislative intent and the bill lacks a definition for a native Hawaiian canoe; is it a certain type of canoe or is it a canoe owned by a native Hawaiian?"

Representative Awana's written remarks in support of the measure are as follows:

"Mr. Speaker, I rise in support. HB1412, SD2 ensures that our native Hawaiian canoes are provided with mooring space in our small boat harbors. The tradition of native Hawaiian navigation will be able to thrive through educational opportunities at these locations. The space provided at our small boat harbors will lighten the overwhelming load of trying to find a practicable site for this worthy cause. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and H.B. No. 1412, SD 2, entitled: "A BILL FOR AN ACT RELATING TO SMALL BOAT HARBORS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Coffman voting no.

At 11:38 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 791, HD 1, SD 1  
H.B. No. 847, HD 2, SD 1

H.B. No. 514, HD 2, SD 1  
H.B. No. 529, HD 1, SD 2  
H.B. No. 879, HD 2, SD 1  
H.B. No. 880, HD 2, SD 2  
H.B. No. 1328, HD 1, SD 1  
H.B. No. 1388, HD 1, SD 1  
H.B. No. 1412, SD 2

At this time, the Chair stated:

"Alright, Members, please remember to submit to the Clerk the list of House and Senate Bills on the Consent Calendar for which you will be inserting written comments in support or in opposition. This must be done by adjournment of today's Floor session."

**ORDINARY CALENDAR****UNFINISHED BUSINESS****Conf. Com. Rep. No. 10 and S.B. No. 960, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 960, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FORECLOSURES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 11 and S.B. No. 1196, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1196, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I rise in opposition to this bill and for the small sprouts of the entrepreneurs out in our community. Mr. Speaker, I spoke earlier about the entrepreneurs of America as the salvation of this nation. Without entrepreneurs there's no economic development, without entrepreneurs there's no job creation. These are the engines by which you catalyze land, labor, capital, etc., and we have a dearth of those in our community with bills such as this, Mr. Speaker.

"The difficulty is that entrepreneurs grow kind of like shoots, they are in a nursery and they sprout up. Look at the beginning of Dell Computer. It was in the dorm of Michael Dell while he was going to college. If you look at the history of HP, Hewlett Packard, one of the world's biggest computer manufacturers, it started in a garage in Palo Alto.

"Mr. Speaker, the point is that when there is a beginning of an entrepreneurial career, it's a sensitive time. It's sometimes usually 3 to 10% of any population even have the urges or the inclinations to be an

entrepreneur. The difficulty is in that sensitive period of nurturing, we don't want the shoots in the nursery to be pulled out to be inspected.

"What we've got here is a bill that mandates the sale of every small business person have a receipt and keeping books. The history of this bill goes back to when we were very concerned, there's so many guys out there who don't have licenses, we've got to get people with licenses. This bill had in its origination, once people get a GET license they're going to be good soldiers.

"Then another regulation came and said that if you have less than 10 transactions, you don't have to keep books or give receipts but if you have more, which is the law now, you have to keep receipts. But the Department of Taxation said these guys are basically liars, and this is what I contend is the labeling and the profiling by our Department of Taxation to these neophyte entrepreneurs, Mr. Speaker, many of which are new immigrants to the State of Hawaii, who bring new, fresh entrepreneurial energies to the State of Hawaii.

"So the point of this bill is to go and make sure that our police go and make sure that not only they have a license but they're giving a receipt for any and all transactions, Mr. Speaker. Swap meets, garage sales, I even probably put it at lemonade stands that our little kids have. The question is what's going to be next?

"If we went from licensing to receipts to bookkeeping, are we going to make the entrepreneurs like we have another bill about domestic workers, we're going to have different ways, you've got to have maybe your son or your daughter be paid minimum wage. How much is the nanny state going to go into this entrepreneurial spirit and kill it off, Mr. Speaker? That's what this bill does.

"I don't say it because I'm protecting the small guy, even though I think the small guy needs a lot of protection. I'm protecting it because the Department of Taxation has big fish, over a billion dollars of outstanding taxes, of people that they're not going after because they don't have the resources. Going after these small guys is going to take a lot of resources. It's kind of like the micro-terrorism of Boston. You shut down a whole city just to catch a couple of guys. With this bill and the energy and the money that it's going to cost us, it's going to be penny wise and pound foolish.

"Mr. Speaker, having said that, I really mean the salvation of America is entrepreneurs. But you've got to let them grow, you've got to let them be nurtured, you can't be picking them up by the roots or, like with this bill, spraying Roundup on them so you think you're going to mature them. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1196, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CASH ECONOMY ENFORCEMENT," passed Final Reading by a vote of 43 ayes to 8 noes, with Representatives Cabanilla, Cheape, Fale, Fukumoto, Johanson, McDermott, Thielen and Ward voting no.

**Conf. Com. Rep. No. 15 and S.B. No. 3, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 3, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Cheape, Fale and Fukumoto voting no.

At 11:46 o'clock a.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 960, SD 1, HD 1, CD 1  
S.B. No. 1196, SD 1, HD 1, CD 1  
S.B. No. 3, SD 1, HD 2, CD 1

**Conf. Com. Rep. No. 18 and H.B. No. 1203, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1203, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Ruling on a potential conflict. I'm a member of the Hawaii Army National Guard. Thank you," and the Chair ruled, "no conflict."

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

"Ruling on a potential conflict. My husband is a member of the Hawaii National Guard. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1203, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE NATIONAL GUARD," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Fale and McDermott voting no.

**Conf. Com. Rep. No. 21 and S.B. No. 1070, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1070, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE SERVICERS," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Cheape, Fale, Fukumoto and Thielen voting no.

**Conf. Com. Rep. No. 22 and S.B. No. 1071, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1071, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FINANCIAL INSTITUTIONS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Fale voting no.

**Conf. Com. Rep. No. 23 and S.B. No. 1077, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1077, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE OWNER-BUILDER EXEMPTION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 24 and S.B. No. 1265, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1265, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONTRACTS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 26 and H.B. No. 673, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 673, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PESTICIDES," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Fale voting no.

**Conf. Com. Rep. No. 29 and H.B. No. 924, HD 1, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 924, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I just wanted to clarify, my no vote on this measure is because of sending notices by regular mail instead of certified mail. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 924, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO COLLECTIVE BARGAINING," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Fukumoto and Thielen voting no.

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

The House of Representatives reconvened at 11:51 o'clock a.m.

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

H.B. No. 1203, HD 1, SD 1, CD 1  
S.B. No. 1070, SD 2, HD 1, CD 1  
S.B. No. 1071, SD 2, HD 1, CD 1  
S.B. No. 1077, SD 2, HD 2, CD 1  
S.B. No. 1265, SD 1, HD 1, CD 1  
H.B. No. 673, HD 2, SD 2, CD 1  
H.B. No. 924, HD 1, SD 2, CD 1

**Conf. Com. Rep. No. 30 and H.B. No. 1149, HD 3, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1149, HD 3, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB1149, which requires a wind energy facility owner to be responsible for decommissioning their windmills that have been taken out of service. I'm proud to have drafted HB1149.

"I originally became aware of the decommissioning problem after reading two Pacific Business News articles which were published in 2011. One of these articles detailed the case of Kamaoa Wind Farms where the cost of removing turbines approached \$1 million. The company that owned the turbines, Apollo Energy, also owned the land, and said that they were not required by law to take the turbines down. The reality is that we live on an island and cannot have our landscape littered by windmills which are no longer functional.

"After researching laws in other states such as Oklahoma, South Dakota, Illinois and Maine, I drafted the original bill. The bill went to Rep. Lee for circulation, and I am thankful for his support and help. Unfortunately, in the rush to meet filing deadlines, HB1149 did not make it back to me for signature. I would like the record to reflect my authorship and appreciation that this important legislation has been supported so fully throughout the legislative process."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1149, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WIND ENERGY FACILITIES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 31 and H.B. No. 560, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 560, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AFFORDABLE HOUSING URBAN GARDENING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 38 and S.B. No. 505, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 505, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Fale, McDermott and Ward voting no.

**Conf. Com. Rep. No. 40 and S.B. No. 1209, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1209, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in opposition to the measure. Mr. Speaker, one of the frustrating things is when you talk to somebody and they don't talk back or you look at somebody and you're wanting to say hello to them and they don't talk back, they're ignoring you.

"Mr. Speaker, this bill has kind of gone in that same way. I think some of my colleagues stood up on the Second and Third Readings and basically read what the law says, that 'the Director of Transportation, in the case of state highways, may, upon application in writing, issue a written permit, subject to any terms and conditions imposed by the director, authorizing the applicant to vend in the airspace,' repeat, to vend in the airspace, 'as that term is defined in title 23 Code of Federal Regulations ... as amended, of the State's interstate highway system.'

"Mr. Speaker, some of us have said, well here comes bulletin boards, here comes the Goodyear blimp. And people said no, no, no, that's not what it means. So, Mr. Speaker, I will yield the Floor to anybody who can say, hey this is really what it means when it says 'vending in airspace.' I think that's enough said. Thank you."

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

"Mr. Speaker, I stand in opposition to this measure. Thank you, sir. I echo the remarks of the Representative from Hawaii Kai. The last thing, I'm sure this isn't intended to do, but we don't want to see billboards in the State of Hawaii. That would be terrible. But if the language is as he says, it opens the door to that. When Members of this Body are long gone, someone might try and take advantage of that, put it up and then we the state would have to sue them saying that this is not correct, but in actuality the language states that it could be. So for those reasons, a no vote, sir."

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

"Thank you. Mr. Speaker, I'm also a no vote on this and I'd like to remind Members that this is the Department of Transportation that consistently comes to us and asks for exemption from environmental laws. So do we really want to trust them to make the decision as to what they can go ahead and allow to be vended in this airspace? The airspace as defined is 'that space located above and/or below a highway or other transportation facility's established grade line, lying within the horizontal limits of the approved right-of-way or project boundaries.' That's a pretty large piece of real estate and DOT has not been shown as an environmental steward. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1209, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHWAYS," passed Final Reading by a vote of 42 ayes to 9 noes, with Representatives Cheape, Fale, Fukumoto, Ing, Johanson, McDermott, Thielen, Ward and Wooley voting no.

**Conf. Com. Rep. No. 42 and S.B. No. 1339, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1339,

SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RURAL AREAS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 43 and S.B. No. 1025, HD 3, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1025, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HOUSING LOAN AND MORTGAGE PROGRAM," passed Final Reading by a vote of 51 ayes.

At 11:57 o'clock a.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1149, HD 3, SD 2, CD 1  
 H.B. No. 560, HD 1, SD 1, CD 1  
 S.B. No. 505, SD 2, HD 1, CD 1  
 S.B. No. 1209, SD 1, HD 1, CD 1  
 S.B. No. 1339, SD 1, HD 1, CD 1  
 S.B. No. 1025, HD 3, CD 1

**Conf. Com. Rep. No. 44 and S.B. No. 933, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 933, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. I'm a beneficiary of the Tri-Care program," and the Chair ruled, "no conflict."

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

"Mr. Speaker, ruling on a potential conflict. My husband is a beneficiary of Tri-Care. Thank you," and the Chair ruled, "no conflict."

Representative McKelvey rose, stating:

"Thank you. Just a point of information, Mr. Speaker. If one has declared a previous conflict on a previous reading of this bill, does it still stand for Final Reading?"

The Chair then stated:

"Yes, it still stands."

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

"Mr. Speaker, I own a diagnostic clinic that accepts Tri-Care beneficiaries," and the Chair ruled, "no conflict."

At this time, the Chair stated:

"Alright, Members, again, if you already previously requested a conflict of interest on any of these measures, you need not again request a conflict of interest. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 933, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE TRICARE PROGRAM," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 45 and S.B. No. 586, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 586, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 586, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL BUILDING PERMITS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 47 and S.B. No. 88, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 88, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO INTOXICATING LIQUORS IN PUBLIC HOUSING," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

**Conf. Com. Rep. No. 48 and S.B. No. 1067, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1067, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1067, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ESCROW DEPOSITORIES," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Cheape, Fale and Fukumoto voting no.

**Conf. Com. Rep. No. 50 and S.B. No. 1068, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1068, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, this is another one for the small guys. This is all about money transmitters, those who actually act as a go-between those people in America and overseas and again it involves small people and generally immigrants.

"What we've got here, Mr. Speaker, is a bill that raises the renewal fee for one of these transmitters from \$3,000 to \$20,000. I know in pervious debates they said, well that's only the big boys that are going to pay that. Well, there's always the trickle down of who passes on what to who, so it's going to go directly to the person who works sometimes two and three jobs to get the money to various countries, particularly in Southeast Asia, and those peoples in various poverty situations who need the money are going to get less money.

"Mr. Speaker, this not only raises that renewal from \$3,000 to \$20,000, it has for the insurance required it goes from \$1,000 to \$10,000 and thereafter \$5,000 to \$10,000 of insurance required.

"Now if we want to become like Europe and make the bar so high that we don't want anybody to get into these businesses, we should keep on these trends. That's why entrepreneurship in Europe is rather stifled and only the almost family rights to business are held. There are not a lot of new startups except for in the immigrant groups that startup.

"But what we've got here, Mr. Speaker, is that we've got a passing on of these expenses to people who, number one, can't even afford it, and to think that this is small potatoes is missing the point because in Sunday's *Star Advertiser*, the article came out entitled, 'Lower fees raise remittances from immigrants in US.' Notice it says lower fees, not higher fees, like in Hawaii. Lower fees raise remittances from immigrants in the United

States. It's estimated that \$50 billion to a \$100 billion is going from the United States to overseas. That's better than the World Bank, USAID, the IMF, any foreign aid group can do to help raise poverty in the various nations.

"So, Mr. Speaker, the national trend is clear from this article that fees are getting lower. And what is Hawaii doing? Making a grab for higher fees. And Mr. Speaker, it's the small guys that are going to get hit. Those people who can afford it the least are going to get hit the most. Thank you."

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

"In opposition, Mr. Speaker. I just wanted to say that even though the Filipino Caucus and the Chair of CPC made several concessions on this measure, my disgust belongs to that of the Department of Commerce and Consumer Affairs. Every time a new regulation comes down, a new federal regulation, they use that as a tool to increase fees, Mr. Speaker. And it's not a mild increase. When there are new rules or laws that come down, they inject fear in everybody that if they don't raise fees, the state would not be able to comply.

"For some reason, the Department of Commerce and Consumer Affairs just becomes totally handicapped, totally handicapped, becomes useless to deal with new rules that come on, and the only alternative that they have is to increase fees and have that be paid by the lower bracket of our society as mentioned by the previous speaker.

"I just want to express this big disgust of this government department that we have that has no consideration and totally becomes handicapped and not willing to work hard to be able to comply with new rules. They want more people and they want more funding, and they just take advantage for anything that comes up. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition. Thank you, sir. I also stand in opposition to this. I'm not going to lose any sleep over Google or Amazon having to pay a little bit more in additional fees spread over their hundreds of thousands, millions of customers, it might be a penny a consumer. But my concern is the small local money transmitters that we've talked about.

"I share my concern with my fellow Ewa Beach Representative regarding DCCA, and every time there is a change to the rules they use that as an excuse to increase fees and raise money. I understand they're a self-sustaining operation, but every bill they introduce costs the consumer money.

"I think this bill was flawed with regard to the insurance, the surety, the bond, it seems too small to me, quite honestly, \$1,000 to \$10,000. Bonds are relatively inexpensive, and they should be required to have a larger bond if they're transmitting large amounts of money. A \$10,000 bond means nothing if you're transmitting \$25,000 and that money is lost.

"Conversely, the fees for renewals, the fees for missing a filing deadline, seem rather exorbitant and high for a small business person who makes an honest mistake. The small business people, these fees will be passed on to them as they try and do their business as the Representative from Hawaii Kai said, transmitting money back to third world countries or underdeveloped countries. So for those reasons I stand in opposition. Thank you, sir."

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

"Mr. Speaker, first a ruling on a potential conflict. My little brother is looking into starting up a money transfer company that would be affected by this measure, Mr. Speaker," and the Chair ruled, "no conflict."

Representative Fale continued to speak in opposition to the measure, stating:

"Okay, Mr. Speaker, with that I'd like to continue in opposition against this measure. As the Representative from Hawaii Kai mentioned, this is going to have a huge impact on those who are trying to enter the market. My little brother was a scholar athlete at St. Louis, grew up here as a young kid, and is looking to become an entrepreneur himself. Hopefully, hopefully, Mr. Speaker, as Pacific Islanders with family who live across the Pacific Ocean, Mr. Speaker, in countries that are not as fortunate as the United States. My little brother is hoping to help assist those who are in greater need at this time, Mr. Speaker, and this, he's hoping to be able to get money into the hands of those who need it the most at the lowest cost possible.

"This measure makes it further difficult for young entrepreneurs, young business people with innovative ways to try and meet the challenges of the day, Mr. Speaker, to try and help deliver a service at a lower cost to those in the lowest economic bracket. This measure makes it that much more difficult for young entrepreneurs to enter into this market and will disproportionately, Mr. Speaker, affect those at the bottom of the economic bracket.

"The great State of Hawaii is a state that is overwhelming populated by people who came here from other places, Mr. Speaker. And those who came here with a hope for a brighter future, for an opportunity for a better life, this measure makes it that much more difficult for those who are the bottom of the economic ladder, who often get stepped on as others move their way to the top, Mr. Speaker.

"So I would hope that this measure would not move forward, if we are trying to assist those who have these challenges and who are simply to find a better future for themselves and their family, Mr. Speaker. For these reasons I must be opposed to this measure."

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

Representative Cabanilla rose to respond, stating:

"Thank you, Mr. Speaker. I just wanted to note for the Members that the reason for these federal regulations that came down was there was one incident of money transmission to a member of the Al-Qaeda during September 11. Now, I believe that rationale is flawed. To pass down a federal law against money transmitters because of that one single incident is unacceptable to me. They used a pressure cooker to blow up the Boston Marathon, does that mean we're going to write new policies on pressure cookers?

"Those people came on an airline to come to the United States. Does that mean we're going to raise the price on airfare? Just think about it, Mr. Speaker, I think the whole rationale of this increase for money transmitters is flawed and unjust. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, just a footnote to what I noted earlier. I said that the rates were going down for money transmittal in the United States but I didn't say why. The article made it very clear, it's because of technology. Because of technological improvements.

"Mr. Speaker, you can pull out an iPhone probably now and buy a house. You can transfer money between your accounts sitting at your desk. You can do anything now at a very rapid speed at a very inexpensive speed. So the technology is there, it's only the bureaucracy and the leadership and the management of this thing is getting a bit out of whack. Not the technology. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1068, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MONEY TRANSMITTERS," passed Final Reading by a vote of 42 ayes to 9 noes, with Representatives Cabanilla, Cheape, Fale, Fukumoto, Ing, Johanson, McDermott, Thielen and Ward voting no.

**Conf. Com. Rep. No. 51 and H.B. No. 1132, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1132, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC DISCLOSURE OF FINANCIAL INTERESTS STATEMENTS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 52 and H.B. No. 1287, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1287, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Coffman's written remarks are as follows:

"This bill has a sunset date that is effective in one year. The bill contains no reporting requirements to help evaluate its effectiveness in the 6 month time period prior to the next legislative session where the sunset would have to be removed by a bill. It is a waste of taxpayer money to process something into law that will clearly sunset before it can be fully implemented and evaluated."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1287, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PERSONAL INFORMATION," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Coffman, Fale and McDermott voting no.

At 12:13 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 933, SD 1, HD 1, CD 1  
S.B. No. 586, SD 1, HD 2, CD 1  
S.B. No. 88, SD 1, HD 2, CD 1  
S.B. No. 1067, SD 2, HD 1, CD 1  
S.B. No. 1068, SD 2, HD 1, CD 1  
H.B. No. 1132, HD 1, SD 1, CD 1  
H.B. No. 1287, HD 1, SD 1, CD 1

At 12:13 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 12:15 o'clock p.m., with Vice Speaker Mizuno presiding.

**Conf. Com. Rep. No. 53 and H.B. No. 785, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 785, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I just wanted to explain my no vote. Thank you. Because this is a gut and replace. Thank you."

Representative Jordan rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 785, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRODUCTION OF RECORDS," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Cheape, Jordan and Thielen voting no.

**Conf. Com. Rep. No. 55 and H.B. No. 32, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 32, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, rise in support with reservations on HB 32 SD 1 CD 1. I support the intent to promote equality in our electoral process and I appreciate that it recognizes that ballot design can be a factor. But I do think more should be done along these lines to promote fairness. I share the concerns that the League of Women Voters brought up in its testimony, which noted that 'In an ideal world, you would want each possible ordering of candidates to be represented equally on our ballots.' Ohio was brought up as an example of a state that tried to make things as fair as possible by '... varying the name order across the state so that each possible order permutation appears an equal number of times ...' like Ohio does. I hope that we can continue to work on improving ballot design during the interim and have a proposal ready next year. Thank you, Mr. Speaker."

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

"Thank you, with reservations and brief comments. I completely appreciate the intent of this bill. I just worry that in not having predictability, because the letter continuously rotates and there's a new letter that begins the alphabet essentially for the ballot, that we may cause or exacerbate confusion at the polls, which given the historically low voter turnout that we regularly talk about and lament in this building. I think it's certainly worth considering and worth a try but I do have some concerns that it may end up causing added confusion, particularly among some voters at the polls. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 32, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ELECTIONS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 56 and H.B. No. 31, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 31, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Jordan rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

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

Representative Oshiro rose and asked that the Clerk record a no vote for him, and the Chair "so ordered."

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

"Mr. Speaker, in support with reservations. I appreciate the intent and I do agree with the introducer of this bill that people who use public transit should be able to wait in peace and have the facilities there for their use, but I think the idea of a law to disallow lying down on a bench kind of connotes a sort of Orwellian society in my mind, and I think many of my especially more conservative constituents. So for that, reservations."

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

"Thank you, Mr. Speaker. Reservations, and my concern is that for rural areas it's not so much of a problem. A lot of times we pass by and we see some of the *kupuna* lying down. The other issue that I have is I believe the bus stops are property of the county, and we should let the counties deal with the issue. Thank you."

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

"Thank you, Mr. Speaker. In support and perhaps we need not only bus stop benches but benches where people can rest. Because it sounds like a lot of people have problems with this and we just want to follow the law."

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

"Thank you, Mr. Speaker. In support. I just want to make sure that these designated bus stop areas, that their purpose, what their true purpose is, and I know we have a lot of elderly and disabled people that really need to use these bus stops. What I think some people may be concerned that there might be harassment for people that might be lying down. But the reality is I think we're harassing people that are going there that have to sit.

"I can tell you for rural areas, we have very few bus stops in the rural areas. We really need to have more. But sometimes those people have to be at that bus stop for quite a while, because for example we have a bus that leaves Kona early in the morning and it goes all the way to Hilo, turns around and comes all the way back to Kona. Like I said, there's so few bus stops and a lot of people are dropped off in cars and they may have to be there anywhere from a half hour to an hour waiting.

"So I think the intention is good. I think what we hope is that people don't harass people, also. So, thank you."

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

"In support with reservations, Mr. Speaker, and let me tell you why. I think all these bills are written to curtail the impact of homelessness in our state and it brings back something that I've been preaching here in our Chamber, that if we create safe zones for these homeless people to parlay themselves, they will not have these multitude of problems related to the things that they need to do in life, which is rest. Thank you, Mr. Speaker."

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

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

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

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

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 31, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DISORDERLY CONDUCT," passed Final Reading by a vote of 44 ayes to 7 noes, with Representatives Carroll, Cheape, Hanohano, Jordan, McKelvey, Oshiro and Tokioka voting no.

**Conf. Com. Rep. No. 57 and H.B. No. 21, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 21, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 21, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CONDOMINIUMS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

**Conf. Com. Rep. No. 58 and H.B. No. 635, HD 2, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 635, HD 2, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I wanted to explain my no vote. I don't believe in the automatic approval. I think that is a bad policy. Thank you."

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

"Thank you, Mr. Speaker. In opposition for similar reasons. I'm voting no on this because I think automatic approvals are bad policy. Although I support broadband, I think permits should be granted on their merits and not by accident or due to agency lack of action. If the intent is to encourage agencies to be more timely, then we could look at automatic denials or other solutions, but automatic approvals aren't a good solution. Thank you."

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

"Thank you, Mr. Speaker. In opposition and I would like to submit written comments in addition. I agree with the previous two speakers, I think that broadband is something we need to move forward with and put a priority on, but these exemptions can actually lead to litigation, it complicates everything for the competitive industry in particular. So I think we need certainty as we move forward and I think that we're messing with the existing CDUA requirements simply because people are complaining.

"In particular, I'm concerned that the language in this bill also authorizes undersea boring and will provide for automatic approval in the event that it's not reviewed in time. Thank you."

Representative Wooley's written remarks are as follows:

"Sometimes, I look at pictures of Hawaii from 50 or even 100 years ago and I think about how quickly everything has changed and I wonder why we have been in such a hurry to eliminate and pave over so much of what we have here in Hawaii.

"My district, and the lifestyles for the people in my district, are rooted in what is not yet paved over, what is left of the country, so I am committed to preserving some of the 'keep it country' options that we have left, especially in Oahu. This bill threatens those efforts for no reason.

"Opportunities for us to move broadband projects forward expeditiously must be used, followed and pursued for the benefit of our economy and our future whenever possible. Automatic approvals will do no such thing.

"Automatic approval laws often have the opposite effect of what is hoped for and actually help community activists identify problematic projects. Instead of moving forward quickly with a project that clearly benefits the people of Hawaii, we end up with confusion in the private sector, a lack of clarity for the public, wasted resources, opportunities for litigation, and increased risks for the exploitation of technicalities for the benefit of international corporations, for example, that have no ties or real interests in Hawaii.

"So often it is multinational corporations that pay close attention to the laws of our state and they have learned they can profit and use tax dollars and legal technicalities to generate huge private profits and development rights. The State of Hawaii, by passing this law, will be announcing to every profiteer in the world that legally, any broadband project can come into the state and set itself up for automatic approval. Let me repeat, ANY broadband project. I believe we open the door to the wrong kind of business and we eliminate our own procedural protections established to prevent disasters by passing this law.

"There are so many other ways we could promote and expedite broadband projects that will also benefit every community. It requires, however, a commitment to listen to the concerns of residents in our communities and to give them more than lip service. The voices in the community must provide us with the starting point for what projects we should pursue and how to move them forward quickly, if necessary.

"Automatic approvals take out the human protections that might prevent a disaster. Quick decisions might benefit a corporation in the short run (in terms of profits) but without oversight and process, it may likely devastate the interests of the people and taxpayers of the state of Hawaii. Let's stop this exemption madness and find better opportunities so the people of our state benefit, not some multinational profiteer."

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

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

"Mr. Speaker, in support. Thank you very much, Mr. Speaker. This bill is not an automatic approval bill, even though it does have that language. It is a priority-process bill, if you will. It gives priority to broadband infrastructure permitting, any kind of permitting process.

"Currently in the bill for conservation land which is the most sensitive, it is 145 days and at that point if the department, DLNR, determines that it is not worthy of approving the permit, they deny on the 145th day. The 146th day, the automatic approval is just a mechanism to give an ending, but it is not meant to be bypassing the process in any way or giving an exemption in any way.

"Any other land is 60 days and it's the same thing on the 61st day. The automatic approval on the 61st day is not necessarily to move it forward automatically, it's just an ending to the process.

"This measure is modeled after, if I may Mr. Speaker, is modeled after the 201H process, the affordable housing process. For the counties, when they go through that process if they deny, it's a 45 day process, and on the 46th day if they're not ready, they just deny. So what's happening in reality is the counties and the developers are not working together to make sure that they don't get to that point where they have the automatic denial. So that's the goal, Mr. Speaker, to get it so that the applicant and the departments work together and come up with a timeline.

"As far as the conservation land being 145 days, just so everybody knows it started off at 60, then it went to 60 business days, then it went to 90 days, then it went to 120 days. At that point I think the department finally realized that this bill would probably pass, so they kind of sharpened their pencil and said, okay what is the timeline? How much time do we really need to make sure that we are able to complete the process in a timely manner? And they came up with 145 days.

"So I think we have worked through the process, we have worked with the regulatory agencies and we have come up with a bill that will work for the private sector and will work for government. Thank you very much."

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

"Mr. Speaker, in strong support. Mr. Speaker, I commend the author of this bill for the foresight and the wisdom that went into the construction of this bill and what it's actually going to mean to the people in the State of Hawaii, Mr. Speaker.

"As an individual who often visits with a lot of the families in my community that are economically distressed, Mr. Speaker, who have young children in school, the quickest way we're going to get our children out of poverty is through education.

"After that education, we have to provide them with the means, the infrastructure and the necessary support mechanisms to allow them an economic future that is brighter than what they currently are looking at right now, Mr. Speaker. That is going to primarily come from the innovation and technology that this bill will allow my community access to, Mr. Speaker. So this bill is very innovative and there's a lot of foresight that has gone into the very unique challenges that we face here in the State of Hawaii, Mr. Speaker.

"Often I tell my little kids, look into the sky, what do you see? I see economic interaction between the largest economy in the world over in the mainland United States and the fastest growing economies in the world in Asia. Because of Hawaii's very unique geographic location, we are in a position where we can actually take great advantage of where we are location-wise, and at the same time moving into industry that is both economically productive but also environmentally sensitive, Mr. Speaker, and we are going to have to make the necessary adjustments in our policy and the direction that we're going. This broadband effort is going to allow us to plug into the future economy, Mr. Speaker. This is what is going to allow us access to the next hundred years of economic prosperity.

"So I greatly commend the author of this piece of legislation, and its passage would greatly move us in the direction that Hawaii needs to move in, given our very unique situations, Mr. Speaker. With that, I'm in strong support of this measure."

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

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. Hawaii must become competitive on a global scale if we want to be taken seriously in the area of working with other countries and becoming the bridge between the east and the west. We must not only talk about it, we must take action. Broadband will help in showing the world that we are serious about our ideal geographic location in the Pacific. This measure will help expedite but not overlook the steps needed to establish broadband connectivity. For these reasons, I rise in support. Thank you, Mr. Speaker."

Representative Lowen rose to respond, stating:

"I just want to clarify, and I'm reading from the bill. It says, 'if, on the sixty-first day, an application is not approved, approved with modification, or disapproved by the State, the application shall be deemed approved by the State.'

"So I understand the practice is automatic denial, but if that's the practice, then why don't we address that in the statute. It still leaves the door open for potentially automatically approving things, and I still stand by saying that's not good policy."

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



"Mr. Speaker, in support, with I guess a caveat and a reservation. Having been on the Broadband Task Force that was formed in the House and the Senate a number of years ago, we were privy to some information that I think is probably public by now, but it relates to what the gentleman from Laie had said about how this is our future, this is going to be really our link to the rest of the world, or at least for economic prosperity and communications.

"What we had learned while the Broadband Task Force was in session was that Google had been planning a west coast to Asia underground cable, and by all means we wanted it to stop in Hawaii. In the process of communications we were told, Hawaii you are not going to get the cable, we're going to go around you because, number one, you've got too many regulations. Number two, you're anti-business. You have a 'you're not open for business' attitude.

"So while this thing comes down a little bit heavy, it's trying to say that if we're going to get broadband people, because there's a lot of money that this takes to invest to make this stuff succeed, we've got to give the permits to facilitate that. At the same time, and I go back to the entrepreneurial, and Mr. Speaker, I'm getting off the subject, if we don't get more entrepreneurially friendly, we can pass all the regulations but if the investment doesn't come, which creates the business, which creates the job, all of this is for naught.

"So this is a very, very important bill, and as the gentleman said, this is all about our future. We are the most remote civilization in the history of mankind. We've got to have linkages. But right now Korea is about 100 times faster in their internet than we are. Most of Asia is faster than we are. We are really a third world country when it comes to broadband. So this is very important, but it's something we have to nurture and hopefully do it wisely. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 635, HD 2, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BROADBAND," passed Final Reading by a vote of 46 ayes to 5 noes, with Representatives Cheape, Ing, Lowen, Thielen and Wooley voting no.

**Conf. Com. Rep. No. 60 and S.B. No. 1073, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1073, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO DENTAL SERVICE CORPORATIONS," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

At 12:36 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 785, HD 1, SD 1, CD 1  
 H.B. No. 32, SD 1, CD 1  
 H.B. No. 31, HD 1, SD 1, CD 1  
 H.B. No. 21, HD 2, SD 2, CD 1  
 H.B. No. 635, HD 2, SD 1, CD 1  
 S.B. No. 1073, SD 2, HD 2, CD 1

At this time, the Chair stated:

"Members, we are going to take a recess for lunch. We are going to report back here by 1:00 p.m. today."

At 12:36 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:24 o'clock p.m.

**Conf. Com. Rep. No. 63 and S.B. No. 31, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee and S.B. No. 31, HD 1, CD 1,

entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," were recommitted to the Committee on Conference, with Representatives Brower, Carroll, Oshiro, Say and Yamashita being excused.

**Conf. Com. Rep. No. 62 and S.B. No. 9, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 9, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 9, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ANIMALS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 65 and S.B. No. 890, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 890, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"In support with reservations. I think this bill is definitely needed, as the Attorney General has mentioned on numerous occasions. My one concern with it is that because it is an adjudicative body, that this bill potentially, in allowing the Governor to appoint a replacement even if there is consideration of a list proffered by the employee group, potentially stacks this adjudicative body in one direction. Thank you."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 890, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII LABOR RELATIONS BOARD," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Ohno voting no.

**Conf. Com. Rep. No. 66 and S.B. No. 966, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 966, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I'm rising to speak against the bill. Thank you. Mr. Speaker, this is relating to the Uniform Meditation Act. This is a uniform act that has only been adopted by 10 states in the mainland. There are some serious problems with Hawaii joining these other 10 states and not waiting until we go ahead and deliberate this more thoroughly.

"I am referencing testimony from a Jim Hoenig, who is a full time professional mediator specializing in family law here in Hawaii. His credentials include graduating first in his class from Stanford Law School, being president of the Law Review, serving as law clerk to Chief Justice of the United States, teaching at the Meditation Center of the Pacific here, and one of the founders of the volunteer settlement master program in family court.

"He strongly opposes passage of this meditation act, and I think that almost should have been enough to stop us from moving ahead with it this session. He notes that the Uniform Meditation Act has potentially devastating consequences for the Meditation Center of the Pacific, and programs which rely on volunteer mediators and volunteer settlement

masters in family court issues. That is here in Hawaii, Mr. Speaker. He states, 'here is the problem: The Uniform Meditation Act creates a situation in which mediators can be forced to testify and confidentiality breached simply by alleging misconduct or malpractice as a back door means of getting at otherwise confidential information.' This bill sets up the process whereby this can be done.

"Moreover, he notes, 'the chilling effect on the ability of Meditation Center of the Pacific (and other meditation centers throughout the state) to obtain volunteers and on Family Court's ability to maintain the Volunteer Settlement Master program will become obvious after the first volunteer or Volunteer Settlement Master is forced to defend against a claim of 'misconduct' used by an attorney or a meditation party to breach confidentiality.'

"In legalese, what it means is, an attorney could use the provision in this bill to breach the confidentiality. This will have a chilling effect on volunteers stepping forward to participate in this program, and this is a family court program that really provides very worthwhile service using these volunteers.

"It's a concern expressed by a man who is thoroughly familiar with the process, and it should have given us cause to hold off on this measure this session. I know that it's late to encourage you all to recommit the bill to committee, but in the event it does go forward, I hope I don't stand here next year and say 'I told you so' when that program is damaged because of this bill. We can always ask the Governor to look at it more thoroughly and consider whether or not he should sign it, but I really believe that our Body should not send it forward.

"You yourself, Mr. Speaker, are probably familiar with this program and the volunteers that help in these serious family matters and how much we rely upon them. We don't want to do something that will damage their willingness to participate as Volunteer Settlement Masters. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 966, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIFORM MEDIATION ACT," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Thielen voting no.

**Conf. Com. Rep. No. 67 and H.B. No. 652, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 652, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support, and I'd just like to make one short comment. This is an important bill that will allow remote dispensing to continue on our Waianae Coast, but I do believe that when we return next session that we will need to look at how we can ensure that remote dispensing can occur on all of our neighbor islands so that we can serve all of our rural communities better. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Strong support with written comments."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. Remote dispensing continues to be a viable option for rural areas where services are limited for those seeking medication. The Waianae Coast Comprehensive Health Center is a success story in remote dispensing. In such areas, patients are faced with a situation where there is no pharmacist available to dispense these prescription medications. This bill will help the residents of this area by using technology to help the center and the patient. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 652, SD 2, CD 1, entitled: "A

BILL FOR AN ACT RELATING TO REMOTE DISPENSING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 68 and H.B. No. 25, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 25, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SUSPENSION OF FORECLOSURE ACTIONS BY JUNIOR LIENHOLDERS," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Hashem and McDermott voting no.

**Conf. Com. Rep. No. 69 and H.B. No. 62, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 62, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

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

"Thank you, Mr. Speaker. In support with just a few brief comments and a request to insert written comments. Thank you. I just want to thank the introducers of this bill, the Representative from the Kohala Coast, Hawaii Island, the introducer from Waimea, Kauai, and the introducer from Kihei, Maui, as well as yourself, Mr. Speaker.

"This bill started off bringing to the attention of this Legislature concerns of small independent pharmacists as well as the Hawaii Food Industry Association representing some of the other pharmaceutical pharmacist businesses in our state. This was a topic that I was not fully educated on. I think in the course of moving through legislation this became a bill that was a collaborative effort between the Health and Consumer Protection Committees in the House, and then also with the Senate Chairs of the Senate Commerce and Consumer Protection and Health Committees, as well as Kealii Lopez, the Director of Commerce and Consumer Affairs.

"This measure is really important in helping to protect the privacy of individual's health information. The critics of this bill will say there are problems with vagueness and with conflict with our Healthcare Privacy Harmonization Act, but in fact, because of the careful work that we did on this measure throughout the legislative process I think all of those concerns are addressed and we really will pass a measure that address serious concerns in our community. So thank you, Mr. Speaker."

Representative Belatti's written remarks are as follows:

"I rise in support of House Bill 62, Conference Draft 1 that is intended to protect the privacy of individual health information from use by pharmacy benefits managers in the arena of marketing, selling or dissemination such health information when use and dissemination of that sensitive health information is not medically necessary.

"Throughout the legislative process, this bill and another bill, House Bill 65, have brought to light practices of pharmacy benefits managers that are important to efficient distribution of pharmaceutical medications and areas of concerns to consumers and community pharmacists. This bill has benefitted from the ability of legislators to hone in on one of these practices which include marketing tactics that depend on the use of individual consumers' health information.

"I believe this bill still allows pharmacy benefits managers to conduct their business but provides some protection and reassurance to individual consumers that their health information is only being used with the consumer's consent and when medically necessary."

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

"Thank you. In strong support, Mr. Speaker. I would like the words of the previous speaker entered in the Journal as if they were my own and additional written comments if I may. Thank you."

Representative McKelvey's written remarks are as follows:

"Transparency should be an important part of the pharmacy industry, and the patients should be in control of their choices when filling their prescriptions. Pharmacy Benefit Managers that own preferred pharmacy networks can seek to limit patients from accessing their pharmacy of choice, by utilizing drug benefits claim information to market to these patients.

"The role of the pharmacy benefit manager is to serve as an intermediate to negotiate services and costs between pharmaceutical companies and third party payers. It is not their function nor within their purview to utilize privileged patient information to manipulate how and where patients receive prescription drug benefits, nor to exploit this information for profit or any other motivation that has little to do with the welfare of the patient.

"By preventing entities from using patient claims information to manipulate their choice of pharmacy provider, we protect the most vulnerable in our society. This measure would prevent call centers from repeatedly calling patients with offers for discounts on other goods if they will only fill their prescriptions at a specific store. By implying that the member must purchase their pharmacy services from a specific store during a series of calls is not in the best interest of the patient and is oriented toward bigger profits, not better care.

"Finally, parity in the pharmacy industry is of utmost importance. By using this information to direct business to their chain stores and mail order operations, consumer choice is compromised and competition eliminated. This measure prohibits such activities, which frankly are unconscionable."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 62, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHARMACY BENEFITS MANAGERS," passed Final Reading by a vote of 51 ayes.

At 1:35 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 9, SD 1, HD 2, CD 1  
 S.B. No. 890, SD 1, HD 1, CD 1  
 S.B. No. 966, HD 1, CD 1  
 H.B. No. 652, SD 2, CD 1  
 H.B. No. 25, HD 2, SD 2, CD 1  
 H.B. No. 62, HD 2, SD 2, CD 1

**Conf. Com. Rep. No. 72 and H.B. No. 1137, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1137, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FAMILY COURT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 74 and S.B. No. 978, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 978, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE PENAL CODE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 75 and S.B. No. 19, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 19, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RENEWABLE ENERGY," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

**Conf. Com. Rep. No. 77 and S.B. No. 310, SD 2, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 310, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support with a request to insert written comments and just make a few short comments. Thank you, Mr. Speaker. This is another one of our bills in the Health Committee that really represents a great collaboration between the community advocates such as Mental Health America of Hawaii, the National Alliance on Mental Illness - Hawaii State Chapter, Hawaii Disability Rights Center, the Institute for Human Services, the Hawaii Catholic Conference, Community Alliance for Mental Health, Catholic Charities Hawaii, and so many more, along with members of the Department of Health and the Attorney General's Office.

"This measure updates our involuntary medication treatment law and creates an assisted community treatment like I think over 40 states have in their jurisdiction. It really represents a step forward, I believe, in how we can help our mentally ill neighbors and residents in this state. This is a bill that all throughout I think any one of the parties could have walked away and thrown their hands up in frustration, but the bill that we've delivered for the state I think is something that we can all be very proud of and will help the residents of our communities. Thank you, Mr. Speaker."

Representative Belatti's written remarks are as follows:

"I rise in support of Senate Bill 310, Conference Draft 1 that establishes an assisted community treatment program intended to help individuals in our community who suffer severe mental illness and who often cycle between homelessness, emergency room treatment, incarceration and/or hospitalization.

"As we learned through the legislative process from the many care providers, mental health advocates and family members who testified before various committees, the individuals who this bill seeks to help are often so disabled by their mental illness that they are unable to recognize their own illness and accept and maintain appropriate treatment.

"This bill seeks to provide a more effective tool for community-based mental health service providers to sustain quality treatment of those with severe mental illness who are not complying with their treatment. As evidenced in other jurisdictions, the hope and intent is that this approach will result in reduction in hospitalization and incarceration rates, improved treatment and quality of life from those with severe mental illness, and safer communities for the public-at-large."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 310, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MENTAL HEALTH TREATMENT," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 80 and S.B. No. 94, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 94, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII INTERAGENCY COUNCIL ON HOMELESSNESS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 82 and S.B. No. 345, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 345, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, this is one of the few times I can use my visual aid, our phones, because this is all about cell

phones. It's all about the insurance, that when we lose it, drop it, have it stolen, our insurance returns it to us. I pay \$7 per month for this one.

"This bill, however, in its history went from zero, because those who were selling the insurance were just in the process of selling it, then last year we said it's going to cost you \$150 in order to sell insurance.

"Well this bill comes along a year later and says, no it's not going to cost \$150 to sell portable electronic insurance, it's going to cost you \$5,000 to do it and then every year to renew it, it's going to cost you \$2,500. Mr. Speaker, I mentioned earlier, do we want the European model of starting businesses, to have the threshold so high that nobody can get into business except for the landed elite or the financially well off? We're raising our threshold of entry much too high for the small guys to get in. That's one concern.

"The other concern is our constituents. The price of cell phones has just gone up. The price of using what otherwise is almost a necessity nowadays is going to cost us. It may be the company saying, look, the rationale behind this is that everybody else is doing it on the mainland. Contrary to what DCCA just said about raising the money transmitter stuff, they're going down, we're going up. But now we're going up because they're up. Inconsistent logic, Mr. Speaker. Just because they charge \$5,000 to get into the cell phone insurance business is no reason for us to go from \$150 to \$5,000.

"The question is this. Who's watching over the cost of living in Hawaii? Who's really watching? We've got caucuses for *kupunas*, we've got caucuses for ethnic groups and everybody. Who's watching for the consumer? The proverbial frog in the hot water will jump out, but put the frog in the cool, nice, lukewarm, and then slowly turn up the heat, and Mr. Speaker, unfortunately that's what we're doing to the people of Hawaii.

"We're making living here, even though its paradise, so difficult. The cost of living, we're not watching out for them and this is one of those bills that, hey look it's only another couple bucks a month. We had a barrel tax a couple of years ago, hey it's only another cup of coffee at Starbucks. All that stuff adds up. We have now 57% of the families in Hawaii who can't afford to send their kids to school without a federal subsidy for their lunches. We have a bad economic model, but we keep pushing the cost of living with bills like this.

"Okay, it's a small thing, but you add them all up, Mr. Speaker, it really comes down to a lot of pressure on making it in Hawaii. For those reasons, Mr. Speaker, and I've spoken many times on this, these and other bills to increase the cost of living have to be watched, and watched very closely. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 345, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PORTABLE ELECTRONICS INSURANCE," passed Final Reading by a vote of 44 ayes to 7 noes, with Representatives Cheape, Fale, Fukumoto, Johanson, McDermott, Thielen and Ward voting no.

At 1:42 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1137, HD 1, SD 2, CD 1  
S.B. No. 978, HD 1, CD 1  
S.B. No. 19, SD 1, HD 2, CD 1  
S.B. No. 310, SD 2, HD 2, CD 1  
S.B. No. 94, HD 2, CD 1  
S.B. No. 345, SD 1, HD 1, CD 1

**Conf. Com. Rep. No. 83 and S.B. No. 997, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 997, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC ARCHIVES," passed Final Reading by a vote of 49 ayes to 1 no,

with Representative McDermott voting no, and with Representative Kawakami being excused.

**Conf. Com. Rep. No. 85 and S.B. No. 993, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 993, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURAL LOANS," passed Final Reading by a vote of 50 ayes, with Representative Kawakami being excused.

**Conf. Com. Rep. No. 86 and S.B. No. 1360, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1360, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

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

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise in support of Senate Bill No. 1360, Conference Draft 1, with strong reservations.

This bill would make permanent the general excise tax exemptions for condominium common expenses paid by managers, submanagers, and suboperators and for hotel employee expenses paid by hotel operators and timeshare projects. This bill would also eliminate the aggregate cap of \$400,000 for taxpayers eligible for the exemptions.

"I have serious concerns on the fiscal ramifications of this bill. According to the Department of Taxation, the estimated revenue loss of making the exemptions permanent will be \$13 million per year. Furthermore, removing the \$400,000 aggregate cap may result in an additional loss of \$3 million per year. This means the total revenue loss from this bill may be \$16 million per year. Future Legislators should be mindful of this substantial change in tax policy and annually request an accounting of its fiscal impact and be vigilant on monitoring the revenue loss rate and trend.

"The loss of revenue places greater pressure on the state's ability to continue to fund essential programs and services. Should the economy take another downturn in the near future, we will undoubtedly face the reality of having to eliminate programs and services to the detriment of the health, welfare and safety of our citizenry. As it was not in the Governor's six year financial plan but should be booked as an expenditure, it will be important to learn how he will deal with this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1360, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GENERAL EXCISE TAX," passed Final Reading by a vote of 48 ayes to 2 noes, with Representatives Choy and Wooley voting no, and with Representative Kawakami being excused.

**Conf. Com. Rep. No. 87 and S.B. No. 757, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 757, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 50 ayes, with Representative Kawakami being excused.

**Conf. Com. Rep. No. 88 and S.B. No. 305, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 305, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO

DEVELOPMENT OF PUBLIC HOUSING," passed Final Reading by a vote of 49 ayes to 1 no, with Representative Jordan voting no, and with Representative Kawakami being excused.

**Conf. Com. Rep. No. 89 and S.B. No. 1336, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1336, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH CARE," passed Final Reading by a vote of 50 ayes, with Representative Kawakami being excused.

**Conf. Com. Rep. No. 90 and S.B. No. 1074, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1074, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PHYSICAL THERAPY," passed Final Reading by a vote of 50 ayes, with Representative Kawakami being excused.

At 1:45 o'clock p.m., Representative Tokioka requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 1:46 o'clock p.m.

At 1:47 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 997, SD 2, HD 2, CD 1  
 S.B. No. 993, SD 2, HD 1, CD 1  
 S.B. No. 1360, SD 1, HD 1, CD 1  
 S.B. No. 757, SD 2, HD 2, CD 1  
 S.B. No. 305, SD 1, HD 1, CD 1  
 S.B. No. 1336, SD 2, HD 1, CD 1  
 S.B. No. 1074, SD 2, HD 1, CD 1

**Conf. Com. Rep. No. 91 and S.B. No. 458, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 458, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, in support. I'd like to commend the Finance Chair and the CIP Coordinator from Maui for sticking with this issue. This was a thorny issue in that we have today in our budget an item which is the largest ever CIP item for education, \$130 million for Kihei High School. \$100 million of that \$130 million comes from this fund. That's a lot of money to have in cash, essentially.

"It should be noted that this particular fund had a very large political casualty. When it was first created it had \$90 million per year in cash in it for seven years. It just so happened that on the eighth year there was a new governor. That new governor came and quickly announced that the state treasuries were empty, and it was empty in part because we had used cash financing in a very large amount to fund DOE improvements, not bond money, and hence the cash flow that had been the dependable basis for our carry-over balances had disappeared.

"So this is a good bill, provides more transparency, will provide a more direct tracing of monies from tax collections into our budget. Thank you."

Representative Har rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 458, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE EDUCATIONAL

FACILITIES IMPROVEMENT SPECIAL FUND," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Har voting no.

**Conf. Com. Rep. No. 92 and S.B. No. 1087, SD 2, HD 3, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1087, SD 2, HD 3, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support, and rather than regale the Members of the Chamber with the tale I was going to tell, I'll just simply ask to submit written comments into the Journal and they can read it there. Thank you."

Representative McKelvey's written remarks are as follows:

"I strongly support SB1087 because it will establish a regulatory framework to empower ratepayers at every household income level to reduce their energy costs. It will also catalyze the savings made by the ratepayers by leveraging the power of private investment, without creating a new obligation on the state budget. Furthermore, it will improve our economy by reducing the amount of money sent out of Hawaii to pay for imported fuels.

"Hawaii's electricity rates are the highest in the nation. Consumers need access to energy efficient devices that offer real electricity cost savings. So far, the upfront cash needed or access to credit to purchase solar hot water heaters and solar PV systems has been an impediment to low to moderate income homeowners and renters from being able to realize the benefits of these devices that will lower monthly electric bills.

"I believe that clean energy and energy efficiency should not be for the wealthy only. Consumers who work hard and pay their bills, but find it difficult to save enough money or build enough credit to finance a solar hot water heater or solar PV system should not be shut out of this market. On bill financing allows the consumer to pay for these energy systems through the electricity cost savings on their monthly bill. This not only makes available energy cost savings to a greater number of Hawaii's consumers, but it also means less oil consumed for every kilowatt hour of energy being conserved or replaced by clean energy."

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

Representative Woodson's written remarks are as follows:

"Mr. Speaker, I rise in strong support of SB 1087, relating to green infrastructure.

"We are all aware that our islands have abundant resources for renewable energy: the sun, wind, ocean and other waterways, and heat underground. Our state and county governments, alongside partners in the private sector, are working diligently to capture these resources while also looking for ways to decrease energy consumption and lower our dependence on fossil fuels. The equation we work with to achieve energy security is well understood.

"Energy security for Hawaii can be a reality tomorrow, but only if we establish and employ mechanisms to bridge the gaps that exist today. While we have these energy resources, we also know that a primary obstacle to more families and businesses adopting energy-efficiency alternatives is the need for substantial up-front capital investment. This legislation is the bridge that will facilitate the broader use of solar and photovoltaic panels on homes and other green infrastructure for businesses.

"This measure before us provides a low-cost financing option for Hawaii our local families and businesses to utilize green infrastructure equipment and technology to reduce electricity consumption. Here are the benefits to be realized when this loan program is deployed: increased affordability

and broader use of clean energy technology, lowered electric utility bills for families who choose to participate, and job creation resulting from the investment in green infrastructure.

"In my district today, \$0.39 is the cost per kilowatt hour, \$292.50 is the average monthly utility bill, \$62,000 is the median family income, and \$30,000 is the investment required for a single-family household to install a photovoltaic system to take advantage of net-metering. Until these families, and all households in our state, have a lower-cost option, green infrastructure will remain out of reach."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1087, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO GREEN INFRASTRUCTURE," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

**Conf. Com. Rep. No. 94 and S.B. No. 1069, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1069, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO MORTGAGE LOAN ORIGINATION," passed Final Reading by a vote of 44 ayes to 7 noes, with Representatives Cheape, Fale, Fukumoto, Johanson, McDermott, Thielen and Ward voting no.

**Conf. Com. Rep. No. 95 and S.B. No. 1388, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1388, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 96 and S.B. No. 1221, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 1221, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 97 and S.B. No. 606, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 606, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 98 and S.B. No. 563, SD 3, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 563, SD 3, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE UNIVERSITY OF HAWAII," passed Final Reading by a vote of 51 ayes.

At 1:52 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 458, SD 1, HD 1, CD 1  
 S.B. No. 1087, SD 2, HD 3, CD 1  
 S.B. No. 1069, SD 2, HD 2, CD 1  
 S.B. No. 1388, SD 2, HD 2, CD 1  
 S.B. No. 1221, SD 2, HD 2, CD 1  
 S.B. No. 606, SD 2, HD 2, CD 1  
 S.B. No. 563, SD 3, HD 2, CD 1

**Conf. Com. Rep. No. 101 and H.B. No. 536, HD 1, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 536, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, when this bill was first heard, a constituent brought to my attention a situation whereby he would not be eligible for housing if this bill passed. He, along with other family members, owns a hurricane-damaged home that is stuck in litigation. He has been living in that damaged home and has been waiting for public housing.

"During committee hearings, the situation was addressed by changing the language to 'may.' Now that it is 'shall,' this elderly man will not be selected for public housing. This mandatory nature of this bill eliminates administration's ability to allow for special circumstances. Thank you, Mr. Speaker."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 536, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC HOUSING," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives McKelvey and Morikawa voting no.

**Conf. Com. Rep. No. 102 and H.B. No. 899, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 899, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RECYCLING," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting no.

**Conf. Com. Rep. No. 106 and H.B. No. 222, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 222, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE BUDGET OF THE OFFICE OF HAWAIIAN AFFAIRS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 107 and H.B. No. 197, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 197, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JUDICIARY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 109 and H.B. No. 653, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 653, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR HAWAII PACIFIC HEALTH," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 114 and H.B. No. 424, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 424, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TIMESHARE CONVEYANCES," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 115 and H.B. No. 632, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 632, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I rise in support. Mr. Speaker, this is a breath of fresh air for openness and transparency in government. It's something that we ideally could have done years ago but it's a beginning now, in the same way that I have spoken on this Floor for CSPAN to have all of our proceedings in both our hearings as well as our Floor presentation able to be seen by the public. May I have other comments entered in the Journal, please?"

Representative Ward's written remarks are as follows:

"Thank you Mr. Speaker. At this time, I rise in strong support of this measure.

"The bill intends to increase the amount of open data available to the public through the state's open portal. Each state department shall make electronic data sets maintained by the departments available to the public.

"I am in great support of this measure as it will increase government transparency and accountability.

"The increased disclosure will allow the public to examine the data sets and increase their awareness. It will also enable them to utilize the information thereby fostering and facilitating innovation and development.

"It is essential public information be made available to the people, and this measure would lift a veil of secrecy from government, giving the public a breath of fresh air.

"As 'sunlight is the great disinfectant,' the people will be able to more effectively scrutinize the operations of the government and ensure it is working as it should be, for the people.

"Thank you, Mr. Speaker."

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

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I rise in support of HB 632 HD 2 SD 2 CD 1. People want more transparency and more information made available to them online. This bill would accomplish those goals and empower members of the public with information that can help them constructively participate in their government. This is an important issue for me. I've spent a lot of time encouraging people to get involved and working to make the government more open and accessible. This is one more thing we can do towards that end, and bring more people into the discussion of how to best serve the people of Hawaii. For these reasons, I rise in support of this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 632, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OPEN DATA," passed Final Reading by a vote of 51 ayes.

At 1:56 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 536, HD 1, SD 2, CD 1  
 H.B. No. 899, HD 2, SD 2, CD 1  
 H.B. No. 222, HD 2, SD 2, CD 1  
 H.B. No. 197, HD 2, SD 2, CD 1  
 H.B. No. 653, SD 1, CD 1  
 H.B. No. 424, HD 1, SD 2, CD 1  
 H.B. No. 632, HD 2, SD 2, CD 1

**Conf. Com. Rep. No. 116 and H.B. No. 1396, HD 1, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1396, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, in strong support."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1396, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE JAPANESE AMERICAN EXPERIENCE IN HAWAII," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 117 and H.B. No. 114, HD 3, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 114, HD 3, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HIGHER EDUCATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 118 and H.B. No. 430, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 430, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, please note my opposition. I understand why we want to have this exception with this particular itemized deduction, but I can't consciously lose \$12 million to my General Fund for this specific incentive that we provide taxpayers to donate to organizations. Thank you very much."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 430, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TAXATION," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Jordan and Rhoads voting no.

**Conf. Com. Rep. No. 119 and H.B. No. 1263, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1263, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Strong support. This is one bill that has made my blood pressure go up and down through the whole session. But, Mr. Speaker, one of these appropriations will benefit a whole valley of taro farmers, and I know these farmers are appreciative of the state's commitment to protect this cultural practice. Thank you very much, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1263, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO IRRIGATION," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 120 and H.B. No. 775, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 775, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Just standing up to request a ruling on a potential conflict. Thank you. This bill has moved through the Legislature and a multiple number of claims have been added to it, and I just wanted to declare that my firm does have, I believe, three claims in this bill, and that we worked on those cases."

The Chair addressed Representative Belatti, stating:

"Are you involved in discussions regarding these claims as an attorney in that firm?"

Representative Belatti: "My firm has three claims in this bill."

Vice Speaker Mizuno: "Have you been working on negotiations relating to this measure?"

At 2:00 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:00 o'clock p.m.

Representative Belatti rose and stated:

"Mr. Speaker, may I request that I be recused from voting on this bill as I did work personally on one of the cases in this matter. Thank you."

The Chair then stated:

"Yes, so ordered."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 775, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR CLAIMS AGAINST THE STATE, ITS OFFICERS, OR ITS EMPLOYEES," passed Final Reading by a vote of 50 ayes, with Representative Belatti being excused.

**Conf. Com. Rep. No. 121 and H.B. No. 1068, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1068, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HUMAN TRAFFICKING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 124 and H.B. No. 672, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 672, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Support with some reservations, Mr. Speaker. I commend the measure as it addresses e-cigarettes, but the reservation that I have is that it prohibits self service displays. So if anybody is questioning what a self service display is, it's a humidor, and they display premium cigars. Anybody that has partaken in cigar smoking knows that part of the enjoyment is the cigar selection process where a consumer will go into the store, open up a humidor, take out a cigar, smell it. So this would prohibit that. So reservations, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 672, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 51 ayes.

At 2:03 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1396, HD 1, SD 2, CD 1  
H.B. No. 114, HD 3, SD 2, CD 1  
H.B. No. 430, HD 1, SD 1, CD 1  
H.B. No. 1263, HD 2, SD 2, CD 1  
H.B. No. 775, HD 2, SD 2, CD 1  
H.B. No. 1068, HD 1, SD 2, CD 1  
H.B. No. 672, HD 2, SD 2, CD 1

**Conf. Com. Rep. No. 132 and S.B. No. 1057, SD 2, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee and S.B. No. 1057, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EMPLOYER UNION HEALTH BENEFITS TRUST FUND CONTRIBUTIONS," were recommitted to the Committee on Conference.

**Conf. Com. Rep. No. 125 and H.B. No. 1147, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 1147, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I just wanted to request a ruling on a potential conflict. My wife works for an organization that sometimes makes independent expenditures. Thank you," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 1147, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO CAMPAIGN SPENDING," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 126 and S.B. No. 593, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 593, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, ruling on a potential conflict. My family does operate a farm," and the Chair ruled, "no conflict."

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

"Mr. Speaker, same request," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 593, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO AGRICULTURE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 129 and S.B. No. 82, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 82, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.



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

"Thank you, Mr. Speaker. In opposition. My main opposition is to Part II of this measure. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 82, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII PUBLIC HOUSING AUTHORITY," passed Final Reading by a vote of 50 ayes to 1 no, with Representative Jordan voting no.

**Conf. Com. Rep. No. 131 and S.B. No. 1349, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1349, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Coffman's written remarks are as follows:

"I do not believe that this tax credit will be utilized due to its limited scope. It just ties up money that could be better utilized in other programs."

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

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

"Mr. Speaker, I rise with reservations. Mr. Speaker, if we ever say the day that high tech died, this is one of the weapons we used to do it. Shakespeare put it rather mildly, or let's say dramatically, when he said, we're damning you with faint praise. We are damning the technology industry by cutting almost off at the legs its tax credits.

"At one point in the past there was real vigor and enthusiasm, we're going to be a high tech industry, we're going to stop living off of our good looks with tourism, we're going to start using our brains. Tourism skyrocketed, budgets were tight, the economy was down, we pulled back. The pendulum, Mr. Speaker, has really swung from being so generous now to being so stingy that this industry, which if it does have any life and does extend itself, is going to be rather surprising.

"So when we say like the Super Ferry, remember the day that the Super Ferry ran? Well, remember when we had high tech blossoming? Well this is one of the days that we stuck another sword into its side, and it's going to be sad because we need to diversify our economy. We've got a bad business model, we don't have people with jobs and incomes that make living in paradise, paradise. Thank you, Mr. Speaker."

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1349, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Coffman and Fale voting no.

At 2:08 o'clock p.m., Representative Say requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:10 o'clock p.m.

At 2:11 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 1147, HD 2, SD 2, CD 1

S.B. No. 593, SD 2, HD 1, CD 1  
S.B. No. 82, SD 1, HD 2, CD 1  
S.B. No. 1349, SD 2, HD 1, CD 1

**Conf. Com. Rep. No. 133 and S.B. No. 1094, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1094, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, may I incorporate my statements that I made on Third Reading on the Senate Bills that went over as a Floor Amendment in support of this particular measure. Thank you," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1094, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO THE EMERGENCY AND BUDGET RESERVE FUND," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 137 and H.B. No. 763, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 763, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUILDING CODE," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 138 and H.B. No. 988, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 988, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Coffman's written remarks are as follows:

"This is an unfunded mandate. The Environmental Response Revolving Fund already needs additional funding to support existing programs. Adding additional responsibilities without adding the funds just creates false expectations and is poor government policy."

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

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

"Thank you, Mr. Speaker. I'll be voting against this measure. Similar to the bill that went over to the Senate, my concerns are twofold. Number one, this is another diversion of monies from the barrel tax. Number two, it appears to be selective in that this revenue stream would be applicable to only one business organization. I think that there are some questions with the words describing this measure. For those reasons I'll be voting against this measure. Thank you."

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

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

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

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

"Thank you, I rise in support. Thank you. I just wanted to point out that if we do have an oil spill in the Pacific, this is definitely appropriate to use this fund to respond to that oil spill. This would support the saving of native wildlife. There could be no facility unless it qualifies by the federal government and meets all the proper certification to be a place that could take care of native wildlife. So for that reason I'm in strong support. Thank you."

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

"Mr. Speaker, please note my reservations. Even though this does say a 'may' instead of a 'shall' I still have reservations on it."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 988, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO NATIVE WILDLIFE," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Coffman and Oshiro voting no.

**Conf. Com. Rep. No. 141 and H.B. No. 820, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 820, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 142 and H.B. No. 816, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 816, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

At 2:16 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 1094, SD 1, HD 1, CD 1  
H.B. No. 763, HD 1, SD 1, CD 1  
H.B. No. 988, HD 2, SD 2, CD 1  
H.B. No. 820, SD 1, CD 1  
H.B. No. 816, SD 1, CD 1

**Conf. Com. Rep. No. 145 and H.B. No. 120, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 120, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Belatti's written remarks are as follows:

"I rise in support of House Bill 120, Conference Draft 1 that strikes a balance between a consumer's right to know and fairness toward an industry that contributes tremendously to the care of our elderly population in critical community care settings.

"Throughout the legislative process, we have heard from concerned family members who have found it difficult to nearly impossible to find quality information about their community choices when faced with the impending and difficult challenge of placing a loved one in a community setting. We have also heard from passionate and dedicated caregivers and care home operators who have asked for reasonable and fair regulations.

"By requiring the posting of Department of Health inspection reports and allowing time for a working group, comprised of industry and

consumer advocacy representatives, to develop a new inspection form to be posted online with information that is fair to care home operators and useful to the public, I believe this Legislature has drafted a compromise that works towards improved community care for our elderly population."

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

"Slight reservations. Mr. Speaker, it appears as though again for transparency purposes, putting inspections of care homes on the website is a good thing. But the thing that impacts people most is the health and sanitation of places where they eat, and those are not up on the websites now. In other words we're starting on some of these elderly care homes. Are we on a different bill?"

The Chair addressed Representative Ward, stating:

"Representative Ward, this does relate to the website bill but it's for community care homes. It has nothing to do with the restaurant industry."

Representative Ward continued, stating:

"It does, Mr. Speaker, because that's the one that everyday people are concerned with. We eat out five or six times a week and those inspections are not on the website. What I'm doing is a comparison. If we want to do it and target the old folks homes and the care homes and those other homes, let us be equally cognizant of our health concerns to the other people who are eating five or six times out per week, and we don't require them to do it even though I understand it's in the process. The point is this is transparency in the making, but let us be prioritizing what things are important to the constituents of the people of Hawaii. Thank you."

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

"I'm also in opposition of this matter, Mr. Speaker. I think that in terms of really streamlining the process and making sure that these care homes deliver the best of care, I think we need to be cognizant of what we need to put on those websites. I think the mandate to put everything that is on the inspection, whether they're adjudicated or not, is something that I would not agree on.

"Currently that is now being left to a task force to determine, and the task force will have to implement those. I know that they will deliver to the best they can, but at this point in time we don't know how it's going to come out, and until we know and it's decided upon what's in that website, we should not proceed on this bill. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition. I read the bill and I think the original intent was to only put the egregious violations up there. Now the language says all violations, but it's suspended for about two years until the task force comes back with recommendations. So I echo the comments of my colleague from Ewa Beach, I do not support this.

"It would seem to me that a better method to determine if a care home was operating any good would be the Better Business Bureau. That's how everyone else is vetted. If you have a concern you call the Better Business Bureau, 'hey, are these people ethical and do they have a good reputation?' Quite often you'll get a straight answer, and you can read reviews online. I don't think the government will be as quick or as efficient in updating these postings and/or pulling off bad postings if there's a mistake or implementing corrective actions. So for those reasons, I'm against it. Thank you, sir."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 120, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Cabanilla and McDermott voting no.

**Conf. Com. Rep. No. 146 and S.B. No. 1194, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1194, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I'm in strong support of it. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1194, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Cheape, Fale, Fukumoto and McDermott voting no.

**Conf. Com. Rep. No. 147 and S.B. No. 1092, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1092, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"In strong support. I would like to thank the House conferees and the Senate conferees in setting aside that \$50 million on top of what we've already been setting aside on behalf of the people of the State of Hawaii. Thank you."

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

"Thank you, Mr. Speaker. In strong support. Thank you very much. I'd like to thank the Finance Chair for the due diligence on sending additional funds to this and allowing the community to gain the trust of the Legislature back again.

"This Hurricane Relief Fund is a program that is when we are in need at a special time. I think recapitalizing the additional \$50 million is a great effort towards this particular fund and towards our bond rating in the future. I appreciate this great intent and thank them very much. Now I can go out to my community and say, yes, because it is very strong in their convictions when they're saying we borrowed from it a year or two ago. Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support with written comments."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. In the past, the legislature has had to make tough decisions such as using funds in the Hurricane Reserve Trust Fund to provide for our core governmental services. Now that our economy is on the upswing, it is prudent and proper to appropriate the \$50 million that was taken. It is just a matter of time when another hurricane will occur and these funds will provide the necessary aid to families negatively impacted by the disaster. For these reasons, I rise in support. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1092, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING AN APPROPRIATION TO RECAPITALIZE THE HURRICANE RESERVE TRUST FUND," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 149 and S.B. No. 867, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 867, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, may I ask if I have a potential conflict, if my wife and I would have a conflict of interest as far as being retirees someday? Thank you very much," and the Chair ruled, "no conflict."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 867, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 150 and S.B. No. 46, SD 2, HD 3, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 46, SD 2, HD 3, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In strong support and just real brief comments. I would like to thank the Vice Chair of Higher Education for all of her hard work on this issue. It was very complex, many parties were at odds with each other, and the bill grew and grew and grew but became more refined, and I'm happy to say that the end product is something that we all can be proud of. Thank you very much."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 46, SD 2, HD 3, CD 1, entitled: "A BILL FOR AN ACT RELATING TO EDUCATION," passed Final Reading by a vote of 50 ayes to 1 no, with Representative McDermott voting no.

**Conf. Com. Rep. No. 154 and S.B. No. 877, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 877, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I will be voting no on it and I wanted to explain why. Thank you. Once again, it's because the notices are sent by regular mail, and sometimes that regular mail delivery doesn't reach the recipient. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 877, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO OCCUPATIONAL SAFETY AND HEALTH HEARINGS," passed Final Reading by a vote of 44 ayes to 7 noes, with Representatives Cheape, Fale, Fukumoto, Johanson, McDermott, Thielen and Ward voting no.

At 2:25 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 120, HD 2, SD 2, CD 1  
S.B. No. 1194, SD 2, HD 1, CD 1  
S.B. No. 1092, SD 1, HD 1, CD 1  
S.B. No. 867, SD 2, HD 1, CD 1  
S.B. No. 46, SD 2, HD 3, CD 1  
S.B. No. 877, SD 1, HD 2, CD 1

**Conf. Com. Rep. No. 157 and S.B. No. 680, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 680, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. Please note my reservations on this measure and a comment. My hesitation with the reservations is creating a new division within our department. It might not be perceived as that at this moment in time because we're using federal funds for those positions. I'm worried about in the near future, that's my reservations on this current measure. Thank you."

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

"Thank you, Mr. Speaker. Please note my reservations, brief comments. Thank you, Mr. Speaker. Can I please have the words of the Representative from Waianae entered into the Journal as if they were my own. Additionally, I am fully in support of homeland security. My concern really does stem from the fact that I do believe this is duplicative of government and may not be the best bang for our buck long term if it is duplicative of government. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of this measure. First, I'd like to thank the Chair of the Public Safety Committee for shepherding this bill. This is actually a very important bill not only for his committee but VMI as well. In fact, this is the number one priority for our Adjutant General, General Darryll Wong.

"The reason for its importance is that for many years, in fact since World War II days, we've been focused on civil defense. The world is a much different world right now. It's no longer civil defense, but homeland security and emergency management, and as we transition to the modern times I think it's important for us, especially in our emergency infrastructure, to get with the times as well.

"So I don't believe there is duplication of services in this particular measure. In fact, I think this gets us to the modern era in line with all the other states. All the other states have done this and it just took us a little while to understand the importance of this. In addition, Mr. Speaker, I think this bill highlights some of the many initiatives that we have passed this year as part of our military appreciation package. Again, I just wanted to thank the Members for supporting our military and our Department of Defense. So finally, Mr. Speaker, written comments in support. Thank you."

Representative Takai's written remarks are as follows:

"Mr. Speaker, I stand in support of this measure. This bill addresses the unspeakable breach of security on 9/11 and further works to establish a homeland security law to allow the establishment of the State Office of Homeland Security within the State Department of Defense. This State Homeland Security Office will offer us a chance to further prevent another domestic attack from occurring, and also gives us the opportunity to prevent thousands of service members from sacrificing their lives to protect ours.

"It will foster security cooperation between federal, state, county, and private sector partners. SB680 will also provide more efficient organizational structure that is needed to ensure that our remote island state is best prepared to respond and protect our citizens. Furthermore, this bill will provide the necessary statutory authority to help support a comprehensive program that provides security for our citizens, critical infrastructure, and economic vitality from the increasing possibility of terrorist or manmade threats.

"Lastly, establishing the Office of Homeland Security will require no additional funding; personnel and office space already exist within the State Civil Defense and State Department of Defense. The passage of this bill works to strengthen Homeland Security initiatives and programs in Hawaii by codifying administrative and operational functions that the state is currently performing, and consolidating them into a single office.

"If approved by the Governor, this bill will be a part of our Military Appreciation Package. The Military Appreciation Package was created to support the efforts of our men and women who have served throughout our history and all who now serve in uniform and their families, as well as those Americans who have given their lives in defense of our freedoms we all enjoy today.

"With this, Members, I'm sure that you understand that the significance of this measure extends far beyond this Chamber. The decisions that we make as lawmakers resonate throughout every aspect of our lives. As we learned from 9/11 – security is especially crucial to our well-being as a nation, and we have a choice to better defend our vulnerable and isolated state. This bill will establish the operational infrastructure to help ensure the health and safety of the people of Hawaii, and will work to help foresee future attacks, making it beneficial to every person on island and nation – civilian and military alike.

"For these reasons, I support this measure and urge my colleagues to do the same. Thank you."

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

"Written comments in support, strong support."

Representative Aquino's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of SB 680, CD 1 which establishes the State Office of Homeland Security within the State Department of Defense.

"Mr. Speaker, this measure would give State DOD statutory authority to provide a comprehensive program to protect our residents, infrastructure and government from terrorism. In addition, this provides a statewide, visible head to coordinate all government agencies and the private sector for homeland security functions. Through this establishment, it will allow a stronger focus on securing our state.

"There were some concerns that were brought up by previous speakers. They shared some reservations regarding this bill. The first concern of possibly providing additional state resources and funding to sustain this new office is a valid one. However, the threat of terrorism since the September 11, 2001 attacks has risen. Mr. Speaker, the dangers of future attacks on our residents can happen at any time and with very little warning. Having this office to focus on intelligence, prevention and security, we are better preparing ourselves considering the greater complexity of today's world. While cost is always an issue with government services, the price in properly protecting our state and its citizens cannot be measured.

"Another concern that was mentioned earlier, Mr. Speaker, was that this new office may be duplicative. I'm not sure what the speaker meant but there are differences between civil defense/emergency management and homeland security. State civil defense and emergency management focuses on the preparation, response and recovering from man-made or natural disasters. Homeland security, on the other hand, focuses on prevention activities to deter terrorist attacks. I understand that the terms may sound synonymous but it is very much different.

"Currently, all of these functions fall under the function of state civil defense. The bill does not deliberately remove functions from one to another but rather, aligning it properly within the State DOD to allow stronger emphasis and attention – essentially, flattening the pyramid. Through the measure, these security functions will be overseen directly by the State Adjutant General rather than three to four levels within the state civil defense organization. By separating these responsibilities, civil defense and homeland security can focus on their primary roles of keeping our state safe.

"Mr. Speaker, as you can see, this bill will greatly assist in protecting our state. *Mahalo.*"

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

"In strong support. I request to insert the comments from the Representative from Aiea in the Journal as if they were my own," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 680, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOMELAND SECURITY," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 160 and S.B. No. 1133, SD 2, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1133, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1133, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE DEPOSIT BEVERAGE CONTAINER PROGRAM," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Fale, Fukumoto, McDermott and Ward voting no.

**Conf. Com. Rep. No. 161 and H.B. No. 65, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 65, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support, and I would like to insert comments into the Journal. I'd just like to share a story of one of my constituents who wrote me a letter. This person who was a caregiver to her husband has to order 27 prescription drugs every month, and because of the mail-in situation, they were not able to get on a daily basis the type of medication that was needed. This person suffers from muscular dystrophy, diabetes, osteoporosis and the list goes on.

"So passing this bill allows them the flexibility and the choice to purchase their prescription drugs and improve their quality of life. So, thank you very much."

Representative Carroll's written remarks are as follows:

"In 2009, a statewide plan was being considered to require union members to order prescriptions through the mail. In the Moloka'i Dispatch on July 13th, 2009, an article was printed, 'Molokai Pharmacy at Risk.'

"The Hawaii Employer-Union Health Benefits Trust Fund (EUTF) had entered into a contract with InformedRx, Inc., a mainland based company. This decision had a negative impact on the residents of Moloka'i.

"In a letter I received dated April 27, 2014, from my constituent from the island of Moloka'i, she writes to me describing her and her family's experience since the mandatory mail-in prescription decision was made. She writes that she currently works for the county and her family was impacted negatively when she was given no choice but to order her husband's 27 medications per month through the mail order system. Her husband has a multitude of health problems from Muscular Dystrophy, Asthma, Osteoporosis, to Diabetes. There have been times when he has gone days without one or more of his prescriptions because the mail order medicine did not arrive in a timely fashion as they were promised. They also spent countless hours on the phone with the mail order pharmacy, trying to clear up or get overrides when this has happened.

"But when their insulin arrived with the ice melted having sat at the Post Office over the weekend instead of being shipped to their physical residence address, her husband was left with no medication and had medical complications where he had to go get emergency medical attention.

"Furthermore, there are many elders and individuals who suffer from other serious medical conditions that have experienced this type of situation regarding mail-in prescription drug orders.

"By passing House Bill 65 HD 2 SD 2 CD 1, Relating to Prescription Drugs, the residents of Moloka'i and the whole state will be able to have the choice to purchase their prescription drugs at a community retail store or mail-in their order to the appropriate mainland pharmacy as dictated through their contract like the EUTF had done. Having the choice to access their medication the easiest method, improves the quality of life for many.

"I urge my colleagues to please support HB 65 CD 1. *Mahalo!*"

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

"Thank you, Mr. Speaker. In strong support and just a few comments. I really want to thank the Senate Chair and the House Chair of the Commerce and Consumer Committees. So often, we have constituents approach us with very real problems and we don't know the exact right law that's going to fix those problems.

"If you look at this bill at its very inception, the folks who brought this issue to our attention, the Representatives from Kohala, Lahaina, Waimea and Kihei and yourself, Mr. Speaker, you really were listening to your constituents and responding to their cries for help about getting their very desperately needed medications. We did not know the right answer. So this bill has really been worked upon and it's also an example of something where we need the time during the legislative process to go out and look at what other jurisdictions are doing.

"We are very fortunate that we had very dogged Chairs in the House and Senate Consumer Protection Committees because they went out and they found good laws, they found what New York was doing, and I think they have crafted a very, very good solution that we can all be proud of, particularly for our rural communities who struggle with lack of access to pharmacies as well as the struggles with post offices that are closing down, so that mail order really isn't a clear option for them.

"So I want to thank again those folks and the introducers of this measure who really I think have led us to be, ourselves, leaders on this very important issue. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Strong support and I would like the comments of the two previous speakers entered into the Journal as they were my own. I have additional written comments that I would like to submit as well. Thank you very much."

Representative McKelvey's written remarks are as follows:

"The mail order requirement that is imposed by many pharmacy benefit managers and other prescription drug benefit plan providers can create significant hardships on beneficiaries, especially in rural areas. This requirement may even prevent beneficiaries from promptly obtaining urgently needed prescription drugs. As a safeguard, many beneficiaries trust and rely on face-to-face interactions with their local community pharmacists, who are more familiar with a beneficiaries' medical history and who can better assist with any questions relating to other over-the-counter or prescription drugs and potentially dangerous drug interactions.

"This measure will enhance consumer choice related to prescription benefits delivery for the States residents by allowing beneficiaries to opt out of mandatory mail order provisions. It is also intended to increase competition in the marketplace and foster better utilization of community pharmacists who can better assist in managing the health of consumers.

"I feel that this measure is necessary to ensure that Hawaii continues to have a robust network of pharmacies to serve and provide choices to prescription drug benefit plan beneficiaries in the state."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 65, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PRESCRIPTION DRUGS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 162 and S.B. No. 69, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 69, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I rise in support with reservations on SB 69 SD 2 HD 1 CD 1. The bill simply applies Hawaii's existing permitting and background check requirements to individuals who buy guns outside of the state. Previous drafts were more onerous. I agree with the Hawaii Rifle Association that this draft merely closes a loophole and does not restrict the rights of law abiding citizens. However, like the Hawaii Rifle Association, which supports the bill, I'm concerned that the current draft lacks an appropriation to help the counties with implementation. For these reasons, I rise in support with reservations. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 69, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FIREARMS," passed Final Reading by a vote of 48 ayes to 3 noes, with Representatives Cabanilla, Fale and McDermott voting no.

**Conf. Com. Rep. No. 165 and S.B. No. 895, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 895, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

At 2:35 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 680, SD 1, HD 1, CD 1  
 S.B. No. 1133, SD 2, HD 2, CD 1  
 H.B. No. 65, HD 2, SD 2, CD 1  
 S.B. No. 69, SD 2, HD 1, CD 1  
 S.B. No. 895, SD 1, HD 1, CD 1

**Conf. Com. Rep. No. 166 and S.B. No. 902, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 902, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 167 and S.B. No. 909, SD 1, HD 1, CD 1:**

By unanimous consent, action was deferred one legislative day.

**Conf. Com. Rep. No. 168 and S.B. No. 532, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 532, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Coffman's written remarks are as follows:

"While I support the intent of this bill, it lacks some clarity that may create problems for the employers and frustrate employees."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 532, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BREASTFEEDING IN THE WORKPLACE," passed Final Reading by a vote of 49 ayes to 2 noes, with Representatives Coffman and Tokioka voting no.

**Conf. Com. Rep. No. 170 and S.B. No. 237, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 237, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Jordan rose and asked that the Clerk record a no vote for her, and the Chair "so ordered."

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

"Mr. Speaker, a no vote please. Again, I believe that school land should be used for school purposes. Thank you."

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

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

"Mr. Speaker, opposition. Two reasons, one conceptually, the other empirically. Conceptually, our colleague from Kailua has already mentioned, school land should be used for school purposes, that concept is clear.

"But empirically, I ask all Members of this Body to say, have you ever had your schools on the school closure list or the chopping block for closure by DOE? Mr. Speaker, my district has gone through that. In my old district, they closed Waiupe, they put Koko Head Elementary, a blue ribbon school, on the 'to be closed' list. This was like two, three years ago, just when the kernels of this concept of using public lands in public-private partnerships. So what we had was a real push to make the highest and best use.

"If you remember when the Governor talked about this whole 21st Century Schools, he said there's a billion dollars of real estate from Koko Head to Farrington. Mr. Speaker, what took place was a battle which we did win, but I want to say that we had a constituent in my district who lived in Kalihi, who was a very strong supporter and neighbor of Puuhale Elementary. The Representative is no longer here who joined that battle, but they were teetering on closing, and you know the light industrial district of Kalihi, Puuhale Elementary would have made a great factory or storage or some kind of a location of which you could have made a lot of money for the DOE.

"So I ask my colleagues, if you have any possibility of your schools being closed, they may be looked upon as a piece or a hunk of real estate, rather than as a place for education. That is the empirical side of this what otherwise conceptually is very, very clear. Schools for school purposes, and if they're going to use it to make money on it, they're going to possibly tempt the closure of your school as a way of saving money and making money for others. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition. May I have the words of the Representative from Hawaii Kai adopted as my own? Also for those very reasons, of course on the North Shore there's some of the best real estate in the entire State of Hawaii and there are a number of my schools that were on the chopping block.

"Mr. Speaker, even though I do like the idea of looking into innovative ways of raising revenue for our Department of Education and for our schools without having to raise taxes and fees, my concern is that this measure may put pressure especially on rural schools where their real estate could be used significantly towards some higher and better use in regards to what they can be used for money, especially the schools Kaaawa Elementary and Haleiwa Elementary. I'm concerned that this measure would put increased pressure on the closure of those two schools, Mr. Speaker. For those reasons, I must be opposed."

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

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

"Thank you, Mr. Speaker. In support with some slight reservations. First, I really want to commend our Chairs, particularly the Water & Land Chair for the work they did. She did a good job in fixing what had a lot of problems. If you look closely at the bill there are no exemptions, there's a 92F process for community involvement.

"My concern is actually just with the fact that the recommendations would then go to the Board of Education, an appointed Board of Education, Mr. Speaker. That is my concern, because with an appointed Board of Education, you may not have a member on there who is truly in-tune with the community and the wishes of what they would like to see so far as a plan if this were to move forward.

"So that's my only reservation, but again I want to commend the Water & Land Chair for the great job that she did in addressing a lot of the serious concerns, and I think that this is truly different than some of the other measures that have come before this Body that have provided concerns with the community and the public. Thank you very much."

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

"Thank you very much, Mr. Speaker. I stand in strong support of this particular measure. We can all say that we want to preserve our present school system that we have in the State of Hawaii, the schools that we do represent.

"But for me on a personal note, the district that I represent has sacrificed two schools in the late 70's and early 80's. It was Anuenue School in the back of Palolo Valley. Then just these past two or three years ago with the Representatives from the 19th and 21st Districts, we lost a lovely school, Queen Liliuokalani.

"I truly believe that all of us here are not here to close our schools that are part of the community. But overall, like this Body has always shared on this Floor, how do you balance the budget. As new schools grow, as population decreases, all of us do not want to make the hard decisions. But in this particular measure, it is just a start to vet and discuss what can we do with school properties that are under state jurisdiction or city jurisdiction, in regards to supporting our public school system.

"That is the bottom line here today, the 21st Century Schools, and I can appreciate all of the Members who are here in defending their schools. Does it make financial sense when you keep a school going that is losing money on behalf of our students?"

"Mr. Speaker, this afternoon I'm very proud to say that all of the East Honolulu Members of the House of Representatives supported a Representative from Hawaii Kai, which is the Kaiser High School Sports Complex, at the expense of Kalani High School, at the expense of Kaimuki High School, McKinley High School and Roosevelt High School. As I've stated a lot of times on this Floor, we are just in one canoe. What is for the greater good of our community, that's where we all have to sacrifice.

"Two weeks ago, I didn't know how to approach this young lady at the St. Louis Heights, Kaimuki, Kapahulu, Diamond Head Neighborhood Board, where she came out publicly against Jefferson Elementary School. I had to tell her, because I was the only elected official there, that we are not

addressing Jefferson. It is up to the Board of Education. But at the end of the day, this type of mischaracterization, misstatement, misinformation, is hurting the community as a whole.

"Some of you may not want to listen to what I'm saying, but for those on Oahu that attend the Neighborhood Boards, you face that music. You face that question from the board members. At least I was honest, and I think for the Representatives from the 19th and 21st Districts, at this coming May's Neighborhood Board meeting, they will have to address it to the Neighborhood Board.

"But I was very disturbed on behalf of the Representatives from the 19th and 21st Districts, it's not you. The email that we got in regards to this particular issue being brought to the agenda of our Neighborhood Boards, and this was the issue of School of Jefferson."

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

Representative Say continued, stating:

"Thank you very much, Majority Floor Leader. May I just say this, in my newsletter, I've always stated, at this point in my career, I'm trying to support in maintaining Palolo Elementary School, Jarrett Middle School and Kaimuki High School. Why am I saying this? For those on the east side of Honolulu, you folks all know that we're a much older community, and parents and homeowners are asking for the general geographic exemptions, or district exemptions, or sending their child to a private school. But in my newsletter every month to the four Neighborhood Boards that I attend, the Palolo Community Council and the St. Louis Heights Association, I state in there, I need your help in getting your family and neighbors to attend Palolo Elementary School, Jarrett Middle School and Kaimuki High School.

"I'm very proud today to say that this individual, whoever he is, emailed the Chair of the Palolo Neighborhood Board that the principals of Palolo Elementary and Jarrett Middle School should make a presentation to the Palolo Neighborhood Board because of what Representative Say has stated in his newsletter.

"We need more students, so the district that East Honolulu represents can sustain itself. I'm going to be at the forefront to say this. If you are going to close Anuenue, which has now become a Hawaiian immersion school, thanks to Representative Mike Kahikina. For the Representative from the 21st District and the newcomer from the 19th District, in regards to Liliuokalani which you fought so much in not having the closure, we are going to be on top of it for the community as a whole. But, but I challenge the Department of Education, the Board of Education, in their testimony, stating for the record that with the closure of Liliuokalani, it would have saved all of us here in the State of Hawaii, Members of the House, \$400,000. Where? In the lease rental that they were paying at Dole Cannery?"

"Mr. Speaker, the 21st century is before us, and there've been legislatures in the past that said for every school that we open, you should close one, because that offsets the cost of the operations, utilities and so-forth of a particular school. Can we, as Members of the House, sustain ourselves by just continuing on with more schools in our outlying county districts, which I really support? But there has to be a give and take as far as how much can we afford and sustain ourselves.

"So for the Representative from Hawaii Kai, I can respect your comments, but on behalf of the kids and families of Palolo, St. Louis Heights, Maunalani Heights, Kapahulu, Kaimuki, Moiliili, they have sacrificed for your district. Let's not be provincial in one's thinking. You close Wailupe and what? Right now after how many years it's just sitting there vacant, we're not maximizing or utilizing its highest potential use.

"I think all of us look at protecting our community, but for the greater good, that is why I am so much in support of this measure. The young lady that testified at the St. Louis Heights, Diamond Head, Kapahulu Neighborhood Board, I appreciate her concerns. I understand her questions. I don't know if the Board is going to support doing something else."

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

Representative Say continued, stating:

"Thank you very much, Representative. I don't know if they're going to agree with Jefferson Elementary School, which is a special education school. But give the Department of Education and the Board a chance.

"For the Members of the House, it is not, like some of my colleagues say, a baby PLDC. No it is not, because you will have the public hearings and the vetting process of what you will like to see a school that has been closed. For all of you on this Floor of the House, we selfishly, we always try to protect our schools on behalf of our constituency. Not for the greater good, but for the good of your community, which is not the right thing to do in the global things, as far as the budget that we just adopted this morning. Thank you."

At 2:53 o'clock p.m., Representative Souki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 2:53 o'clock p.m.

Representative Say rose to respond, stating:

"You know, Mr. Speaker, I saw your face on television saying you do support the Kaiser Complex, as I did, along with half of all the East Honolulu Members. That's all I'm saying. That's all I'm saying. We are here to sacrifice for the greater good, and the greater good has to give back to the greater good also."

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

"Thank you, Mr. Speaker. In support with just a few brief comments. Mr. Speaker, we've received emails on this particular measure accusing the drafters of this legislation that this is PLDC-like, or this has the DNA of the PLDC. But as one of the original opponents to the PLDC, I can rightfully say, and I believe when I say this, that this is not PLDC-like. This does not have the DNA of the PLDC.

"It has enough safeguards in it that allow for community input pursuant to HRS Chapter 92. It requires compliance with county plans, ordinances, zoning and development codes. The revenues and proceeds that will be generated from the development, and it's only the projected development, will be deposited in the school facility's account, ensuring that the moneys go back to our schools, and no public lands, absolutely no public lands, will be sold under this proposal, as the bill only allows for the lease of public school lands.

"Mr. Speaker, I'm very concerned about this bill because in the discussion of 21st Century Schools over the last four years, my own daughter's school has been listed as one of the examples for potential redevelopment. Today, as I dropped my daughter off, and I had to go around the block because I had to drop my other daughter off at my parent's house, I just watched who was coming to the school. Parents walk their children to the school, they ride their bikes from Kakaako all the way up to Queen Kaahumanu School along the very busy roads of urban Honolulu. It's a green oasis in buildings in an urban jungle.

"So I think that redevelopment concerns all of us, and we are all concerned about our communities, as the previous speaker said, but I think we have to approach these questions about redevelopment with great care, and I believe this bill does.

"So of course I believe that all of us will be vigilant about what happens as this bill moves forward, but I do think that it is a good measure, and I support it. Thank you, Mr. Speaker."

Representative Fale rose to respond, stating:

"In opposition still, Mr. Speaker. We have heard some very compelling arguments on why we should support the measure, and I would consider

relooking at it, but my concern still remains, Mr. Speaker. When I was elected to the Kaaawa Elementary Task Force, with looking at the potential closure of Kaaawa Elementary School, the Department of Education showed us paperwork, because they said it was a financial issue, we don't have the financial means to continue to support some of our schools.

"In the paperwork that they showed us, Mr. Speaker, they had spent \$36,000 per window on six windows that went into a portable classroom. Now the building itself isn't even worth \$36,000, Mr. Speaker. When we had requested further information on why the windows cost \$36,000 a window, and there were six of them, the Department of Education told us that they were not able to provide us with further information.

"Which is why, Mr. Speaker, if I was able to see that there was no other way, if we were spending every dollar in regards to our public schools in the most effective way possible and that there was no other way to address the financial needs of our public education system, Mr. Speaker, I would feel more compelled to support this measure.

"But I am not convinced, when I have personally seen and interacted in a way with the Department of Education that suggests, very strongly to me, that we have some very serious issues in regards to some of the accountability with the way we're spending our public funds in the DOE, Mr. Speaker.

"That's why I've been a very strong proponent of having some accountability. There was a measure that unfortunately didn't make it, in regards to auditing the Department of Education, because I would like to have that audit to go back to my community and say, there is no other way, this is the only way. I would feel comfortable with making that decision and supporting this measure if that were the case, but to the best of my knowledge and the information that I have in front of me now, Mr. Speaker, I believe that this is not the only way to move forward. That's why I must remain opposed."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 237, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PUBLIC SCHOOL LANDS," passed Final Reading by a vote of 36 ayes to 15 noes, with Representatives Brower, Cheape, Fale, Fukumoto, Hanohano, Har, Hashem, Ito, Johanson, Jordan, Lowen, McDermott, Thielen, Ward and Wooley voting no.

#### **Conf. Com. Rep. No. 171 and S.B. No. 1093, SD 2, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1093, SD 2, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I stand in strong support of this measure. I think it's a good measure, Mr. Speaker, it relates to expanding the Open Doors program. My children went through Open Doors, they went to St. Philomena. What this measure does is it expands access to early learning for the children who can't get into kindergarten yet, but it doesn't preclude the menu of opportunities available to parents. What that means is it doesn't infringe upon religious options. Children can go to St. Philomena where my kids went. I will guarantee you, Mr. Speaker, in fact I would bet my house on it, which is easy to do because the bank owns most of it, but I would bet my house on it, Mr. Speaker, that enrollment at these religious schools will go up.

"Now what I don't understand, and this is kind of a rhetorical question not to put anybody on the spot, but why can we do it with Open Doors but not another vehicle which we'll discuss later this evening. So I fully support this because it actively allows parents to choose those religious institutions. Thank you, sir."

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



"Mr. Speaker, I rise in support. Thank you, Mr. Speaker. Mr. Speaker, as you and the Members know, this bill, relating to school readiness, is the first piece in this state moving towards a statewide preschool program for which I very much support. Mr. Speaker, I am very thankful that the Legislature did appropriate \$6 million to this endeavor.

"If you look at all the research, the research is conclusive. Any child who has preschool opportunities is that much more successful, not only for kindergarten, but the preschool opportunities provide lifelong learning opportunities for that child.

"So, Mr. Speaker, I'm very pleased that the Legislature did appropriate \$6 million for this endeavor. I am somewhat disappointed though, however, because the Administration did ask for \$8.2 million. Unfortunately we did not fund them that additional \$2.2 million, which now means that many of these kids who are in the lower income gaps will be forced to have to pay up to maybe \$80 per month for this program, which I think is a travesty, particularly for those lower income students.

"In addition, I do appreciate the fact that we do have a funding mechanism through this bill, I do wish we would have put this funding in the budget. It would have shown a true commitment that this Legislature will continue to see through it, that we will move towards a statewide early education program for now, and into the future, because we know it's a good investment. For those reasons, I stand in strong support. Thank you."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, I'm very happy that we have gotten to this point and this measure is here today for us to vote it forward. I can't express what school readiness and preschool means to my children on my coastline. This helps give those little children a help up into kindergarten and on their way to first up to sixth grade. It helps our families, it helps our families go to work while their children go to school, it helps promote early education.

"I'm glad that we had made the commitment of \$6 million towards this program, and as we move forward in the future years that we can make stronger commitments so more children can go. With the \$6 million, we're roughly going to help 900 children, and those are probably going to be our most vulnerable children in the rural areas. We have almost 5,100 children that we need to support. So I think this is a great effort for us taking this leap going forward and making a commitment to these youths going forward. Thank you, Mr. Speaker."

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

"Mr. Speaker, on behalf of the residents of Palolo Housing, KPT, Mayor Wrights, I hope we can all qualify as far as our students in qualifying for this particular program."

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

"Mr. Speaker, thank you very much. In support, and I would like to thank the Education Chairs for both the House and the Senate for allowing us to get to this point in providing early education for our students. I just wanted to make some clarification. The difference between \$8 million and \$6 million is this. The \$6 million is for continuation of the Open Doors program, which would allow 900 students to qualify for this Open Doors program. \$8 million, if you did the \$8 million, it would still provide the same amount of subsidies for the same amount of kids, but the reason why it was \$8 million is because they had to start a new program. Thank you."

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

"Thank you, Mr. Speaker. In support with reservations. I'm in full support of preschool for everyone, actually, and I have been watching this very closely as it's been moving through, and I think that this is the measure that we should move. I think it's the best thing that we've come up with so far.

"I do have some concerns, and I'm not as confident as some of my colleagues, that all the schools will still be able to receive these funds. I think we, as a Legislature, are doing the best we can, but this is still going to be up to DHS in rulemaking and I'm concerned that with the codification of this program there are some possibilities still that there could be decisions made to exclude religious preschools. So that's my concern, but again, I don't think that has anything to do with us anymore. I think this is a good measure moving forward, but those are my only reservations."

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

"Thank you, Mr. Speaker. In support. I would just like to include written comments, as well as testimony that was provided through an email from Senior Pastor Mike Lwin from New Hope Leeward. Thank you."

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. The future of our state is dependent upon an educated workforce. We have been behind the eight ball, playing catch-up for a slow start in the area of *keiki* readiness. This measure addresses the challenges of service providers while marrying government to move our youth in the right direction. Mr. Speaker, best articulated is an email provided by Senior Pastor Mike Lwin from New Hope Leeward:

Aloha 2013 House Members,

By way of introduction, my name is Mike Lwin. I am the Senior Pastor of New Hope Leeward which is a church of about 5,000 members. We also have a Christian preschool and school through grade 6.

The purpose of this letter is to express our support of SB1093 which establishes the school readiness program within the early learning system. We believe that SB1093 will be a positive initiative for raising up a stronger next generation of leaders for the future of Hawaii.

According to the State of Hawaii Dept. of Education Systems Accountability Office, there is a strong correlation between children who attended preschool to how ready they are for Kindergarten based on the HSSRA. Moreover, all three complexes in our Leeward community show that about 50% of the children attend preschool which means that half of our children are not adequately prepared for kindergarten.

Therefore, we support SB1093 because there are still 50% of our children not ready for school. Though the public schools have done a great job with preparing the kindergarteners for the next grade, it is clear that early education is needed before they step foot into kindergarten. We as the community need to partner together with the teachers in providing the early educational foundations needed for ALL children so that ALL children will be equipped with the basic learning tools to be a greater learner as they enter Kindergarten.

Early learning opportunities for the children of Hawaii will offer great returns not only in the child's future successes in life; but also, in the building of wise leaders for the future of Hawaii.

As the pastor of a local Christian church with a preschool program, I can confidently say that the children who enter kindergarten from our preschool program are much better prepared socially, relationally, and educationally for the learning years ahead of them. Also, as the father of a 5 and 6 year old who have been through preschool, I can clearly see in various ways how much more advanced my children are as they interact with friends in community sports who are of the same age but didn't attend preschool.

A statewide early education program is great for the future of Hawaii's children! Of course, no ONE program can guarantee a more educated next generation; however, SB1093 certainly increases the changes exponentially. May it be the legacy of our generation, that we did everything we could to stand in the gap to provide the necessary education Hawaii's children will need to be successful in school and in life.

We are humbly submitting this testimony of support for your consideration. Should you have any questions, please contact me.

Sincerely,

Pastor Mike Lwin

"For these reasons, I rise in support. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support, and if I could say a few words.

"This Body has certainly taken a step forward in regards to early childhood education. Of course, like everything else when we deliberate, we also have to consider other programs as well. I'd like to commend the Chair of Finance and also the Chair of Education, but I'd also like to commend the Department of Human Services, who already, with this Open Doors program, provides a service to our community. Yes, we would like to also provide the programs to all of our kids in the State of Hawaii, but of course we do have some challenges, and we're not willing to raise taxes just yet.

"However, I would like to just say that everybody's comments today are valid, and I believe that if we had the opportunity to fund all the programs, so that all of our children can go to early childhood programs that will benefit them, I believe we would do so. So with that being said, I'd just like to say thank you to everybody for supporting this measure, and if we can work together for the next session, and sessions after us, that we can come to that conclusion where all of the kids in Hawaii will have the same opportunity. Thank you."

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

"Mr. Speaker, in support with reservations. Mr. Speaker, my concern about this measure has primarily to do with the implementation and the boots on the ground that are going to execute this operation. As one of my favorite historical figures in history said, success is 1% inspiration and 99% perspiration. Just because you have a good idea, it doesn't matter how good or great your idea is, implemented poorly it will fail.

"One of the best examples that I can think of is, Mr. Speaker, when I was in school back in the Kingdom of Tonga, I went with some of my cousins, and we went and made this raft out of this one particular tree. We thought it'd be a great idea to go out to the island called Mounu in the lagoon of Fanga'uta. They have this particular type of shellfish there, Mr. Speaker, that are really, really good. We put this raft together, and about a quarter of the way out, the raft sank. Idea was great, we put the whole plan together, it seemed like it was a really good idea, but we sank before we got there, Mr. Speaker, and that's my concern.

"In regards to this, the whole measures of early childhood education, as I've listened to the boots on the ground who are going to be responsible for carrying out the mission, Mr. Speaker, I'm really concerned that when we do do this, we need to do it right. Given the fact that in some of the hearings, Mr. Speaker, I've heard that this has been a concept in evolution for the past two or three decades from when the first ideas of early childhood education were first proposed.

"I'm pretty concerned that if this idea has been in evolution for the last two or three decades, I'm really concerned with the quality of the product that we are looking at today. When it can be completely moved from one department to another, and it seems like it's no big deal, and that those in charge who are going to be fully implementing this don't have the clear answers to the questions and the potential problems that have been raised with the program, Mr. Speaker.

"So, early childhood education is something that is very important, but it's something that I think needs to be hammered out a little bit more, and some of the kinks have to be worked out before we push forward and then say, 'oops, we sank halfway,' on our movement towards a very admirable

goal, Mr. Speaker. So for those reasons, I do have reservations on something this important that's going to commit us to serious resources into the future. So I do have those reservations, Mr. Speaker."

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

"Mr. Speaker, in support. Mr. Speaker, I think all of us are on very solid ground, conceptually and empirically, for early education. You can't beat it. From the day a person is born, on up, education takes constant priority in what we turn out to be in life.

"Like the previous speaker, I am also concerned with the implementation, the working out the details. The science of early education is very clear. Decades, correlations in America and all over the world have correlated one thing and one thing only is the primary thing that makes early education successful, that's parental engagement.

"Parental involvement is highly correlated all across the board with student achievement. Parents aren't involved, students don't achieve. They can go for a little while then they'll back off. The point is, programs like what we had in Head Start, Sesame Street, middle class kids were looking at Sesame Street, the kids who needed it weren't watching it because of a lack of parental involvement.

"In this case, Mr. Speaker, I think we need to put a parental outreach, we need to get to families that otherwise heretofore don't care too much about their kids getting an education at an early time. To me that's going to be key to the success. Rather than this just being a buttress to the middle class, it's got to go to some of those families, even dysfunctional families who don't even see the value in education. This is the outreach so we can have really education as the great equalizer for our society, lest this money goes to where it only enhances those who already have a head start. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1093, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO SCHOOL READINESS," passed Final Reading by a vote of 51 ayes.

**Conf. Com. Rep. No. 172 and S.B. No. 515, SD 2, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 515, SD 2, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In strong support. I just would like to take the time to thank the Body for helping me to bring this matter to where it is right now that we are voting for. The issue of homelessness is a very difficult matter to address, Mr. Speaker, to the point that it is really hard to both think about what will my neighbor say, it's a 'not in my own backyard' type thing. But the issue of homelessness is so pervasive and to a point that even in this Chamber it gives us a feeling of pessimism amongst each other.

"Nevertheless, Mr. Speaker, I think this Body had the courage to bring this forward to where it is right now. I hope that as we move forward, we're going to look back in history and say we voted for the right thing. Because we will never be able to eradicate the homelessness, but little moves like this one today will help us diminish that.

"The 'return to home' that is now in this bill is something that we have worked hard on here at the House for at least three sessions now. We had difficulty passing it in the Senate, but nevertheless today we will make history because we here at the House of Representatives stood up and said, we need to do something. So we need to congratulate ourselves and feel good today, Mr. Speaker, because we took care of those people who cannot take care of themselves. Thank you."

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

"Thank you, Mr. Speaker. With reservations. I will vote with reservations today because I would first and foremost like to thank the Chairman of Human Services in the House and the Chairman of Human Services on the Senate side for doing such great work during conference on this particular measure, seeing we were down to the last measure.

"First of all, I'd like to appreciate the shallow subsidies that have been placed in this measure. The \$1 million will help our neediest families with that \$300 shallow subsidy. Secondly, I'd like to thank the \$750,000 that is going to go into Housing First. That's to help our homeless individuals to house them first, then deal with their issues. I'd like to thank the \$150,000 that's going to be going to Rapid Re-Housing, again helping our homeless individuals.

"Mr. Speaker, I think there's been a lot of work and a lot of effort getting us to this point on many, many levels for many, many years and all of those conjoined efforts have brought forth these different avenues to help our most vulnerable populace. That could be our families that might be becoming homeless or our families that are living on the streets. I'd like to really thank the \$400,000 for the Shelter Plus Care program.

"My opposition to this measure, Mr. Speaker, is not any of those. My opposition to this measure is Part 6 and 7, and you've all heard me all session speaking on those. I'm not going to elaborate on them, at times we have to swallow to move forward. I'm doing that because I believe we need to stand up for those particular individuals and to lose those first four programs would have been detrimental. So thank you, Mr. Speaker."

Representative Cabanilla rose to respond, stating:

"Still in support, Mr. Speaker, and I would just like to thank you personally, Mr. Speaker, and also the Representative from Waikiki, for helping me bring this forward and believing this is the solution to decrease the number of homeless people in our state. Thank you to the both of you and the Members."

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

"In strong support and can I get written comments, please? Thank you."

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I rise in support of SB 515 SD 2 HD 1 CD 1. There are thousands of homeless people in our state, many without shelter. This bill takes several different steps to help them by improving our ability to provide mental health, substance abuse and housing services. Housing First, for example, which I'm a big proponent of, is covered in the bill. It's an important component of the Department of Human Services' Wraparound program, which provides various services to help people get rehabilitated and into housing. There's also a pilot program to help assist homeless people who are here from out-of-state return to their families.

"This is a very comprehensive approach to addressing our homeless population and one I think we should take. For these reasons, I rise in support of this measure. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 515, SD 2, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HOUSING," passed Final Reading by a vote of 51 ayes.

#### **Conf. Com. Rep. No. 173 and S.B. No. 403, SD 2, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 403, SD 2, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO BONDS," passed Final Reading by a vote of 51 ayes.

At 3:18 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 902, SD 1, HD 1, CD 1

S.B. No. 532, SD 1, HD 1, CD 1  
S.B. No. 237, SD 2, HD 1, CD 1  
S.B. No. 1093, SD 2, HD 2, CD 1  
S.B. No. 515, SD 2, HD 1, CD 1  
S.B. No. 403, SD 2, HD 2, CD 1

#### **Conf. Com. Rep. No. 174 and S.B. No. 642, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 642, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support, and if I may make some comments both on this bill, Senate Bill 642, and below Conference Committee Report Number 178, House Bill 668.

"I'll keep my comments very brief, Mr. Speaker. It's been a long time coming for changes to be made to our state's medical cannabis program. As we all know, this program has been in place since 2000. In 2010, the medical cannabis working group convened by this Legislature made several recommendations that are today going to be hopefully adopted by Senate Bill 642 and House Bill 668.

"I want to thank my counterpart in the Senate. If anyone was here, I believe on Friday afternoon, we had some fiery exchanges. It's no surprise, myself as a lawyer with a civil rights background, him as a doctor, emergency room physician. We come to this problem from very different perspectives, but I think by coming to this problem, to this issue, with different perspectives and with the help and assistance of, if I may recognize him, the Majority Leader of this House, I think we both learned how to compromise. The compromise we came to for both of these bills is something that's good for all of the patients in the program, as well as good for the state.

"I also want to thank the Speaker from Maui and all of House leadership who entrusted me with this job of being Health Chair. I did not think that I would be working on medical cannabis, but you just play with the cards that you are dealt with, and when you hear and see the testimony from the community members who've been advocating for changes for so long, you have to respond.

"Finally, I want to thank my colleagues in this House. I know that there has been great and heated debate on both of these measures. I think the product is better because of that debate. My Co-Chairs of the Public Safety and Judiciary Committees have been very helpful in moving this bill along so that we could eventually arrive at these recommendations and I believe what are very good reforms.

"I believe in Senate Bill 642 we have changes that will accommodate the needs of the medical patients, but we also have measures that will enhance the public health aspect of the medical cannabis program. So I really do want to thank all of the folks who worked on this. Again, it was a venture of the community, it was something that House leadership supported, and I believe it was because of all the work that we did through all of the committees through our 60-day legislative process that we have achieved something that we can be very proud of. Thank you, Mr. Speaker."

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

"Mr. Speaker, thank you. I rise in support with reservations. Thank you, Mr. Speaker. As Members of this Body know, this is an amendment that we're changing and revising the state's medical marijuana law. I do appreciate the work done by both the Health Chairs in the Senate and the House. I personally have always supported our medical cannabis program, I do believe that we should have compassion for those suffering, specifically those with physical ailments.

"That being said, my reservations rise from the fact that marijuana still remains a Schedule I controlled substance under federal law, which means it is still illegal under federal law, therefore any medical cannabis program

that we pass or amend remains illegal under federal law. For those reasons, I stand with reservations. Thank you, Mr. Speaker."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 642, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Fale, Ito and Ward voting no, and with Representative Say being excused.

**Conf. Com. Rep. No. 175 and H.B. No. 1374, HD 1, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 1374, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROCUREMENT," passed Final Reading by a vote of 50 ayes, with Representative Say being excused.

**Conf. Com. Rep. No. 176 and H.B. No. 144, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 144, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

Representative Rhoads's written remarks are as follows:

"I am opposed to HB 144 CD 1 as it fails to address many of the concerns that regulation of a burgeoning industry should tackle. As we all have experienced how banks and investment institutions made mistakes that caused a financial crisis that affected small businesses and their workers on the financial front, we now have a situation that is on the human resources and operations side. Professional employer organizations (PEOs) serve the function of alleviating some of the more complex and tedious side of human resource and operation functions for small businesses, such as administering payroll and benefits, so businesses and their employees can focus on what matters to the business most, but what happens if the entity responsible for handling these tasks declares bankruptcy? How many local businesses can absorb the shock of losing a missed payroll when the PEO handling that payroll has not fulfilled its contractual and legal obligations? How many of their employees can survive missed paychecks?

"Good policy would be to allow the market to flourish with PEOs that have sound practices rather than allow fly-by-night operations. Easy entrance into the PEO business is not necessarily a good idea if those PEOs allowed entry do not have the financial wherewithal to protect their clients from catastrophic loss.

"The purpose of this measure was to consolidate and clarify the laws on PEOs to ensure that only qualified entities shall be defined as 'professional employer organizations.' However, the bill currently has several problems that undermine this objective. In its current form, the bill has a bonding requirement of \$25,000 for PEOs that have a total payroll of \$25,000,000. This is a ratio of 0.001. From the testimony it is clear that a bond fee is not barrier to entry, as a bond for that amount can be secured for less than \$2,000.

"The next issue is that the financial audit provision of HRS § 373L-2(b)(12) will be removed from the current law if this bill goes into effect. Financial audits should remain mandatory given the way a PEO handles clients' funds. Based on testimony, a Hawaii PEO defrauded its clients by collecting \$1,068,579 and then defaulting on its obligations. The only way the clients' losses were covered was that the failed PEO had partnered with an out-of-state company. This should give us pause as we are making it easier to file with less information. It should not be asking much for a business that is responsible for handling paychecks to get an independent financial audit to see if that is what they really are doing.

"For the foregoing reasons, I am in opposition to this measure."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 144, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PROFESSIONAL EMPLOYER ORGANIZATIONS," passed Final Reading by a vote of 47 ayes to 3 noes, with Representatives Fale, McDermott and Rhoads voting no, and with Representative Say being excused.

**Conf. Com. Rep. No. 177 and H.B. No. 833, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 833, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, in strong support. In strong support of my public employees."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 833, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING EMERGENCY APPROPRIATIONS FOR COLLECTIVE BARGAINING COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Say being excused.

**Conf. Com. Rep. No. 178 and H.B. No. 668, HD 2, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 668, HD 2, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

Representative Belatti rose in support of the measure. [Note: please see remarks delivered earlier on S.B. No. 642, HD 2, CD 1.]

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

"Mr. Speaker, in strong support on behalf of the Members of the House of the Representatives and the State Senate in regards to a Conference Draft that I feel is very fair and open to the Members of the House and Senate. Thank you."

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

"Thank you, Mr. Speaker. In strong support, and I would like the words of the Speaker Emeritus entered in the record as if they were my own," and the Chair "so ordered." (By reference only.)

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 668, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO HEALTH," passed Final Reading by a vote of 46 ayes to 4 noes, with Representatives Choy, Fale, Ito and Ward voting no, and with Representative Say being excused.

**Conf. Com. Rep. No. 179 and H.B. No. 51, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 51, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, I apologize, I thought we were on Stand. Com. Report Number 179. My statement in regards to 178, may I stand corrected. It's supposed to be for 179. I do support 178 also. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 51, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 50 ayes, with Representative Say being excused.

**Conf. Com. Rep. No. 181 and H.B. No. 697, SD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 697, SD 1, CD 1, entitled: "A BILL FOR AN ACT MAKING APPROPRIATIONS FOR PUBLIC EMPLOYMENT COST ITEMS," passed Final Reading by a vote of 50 ayes, with Representative Say being excused.

**Conf. Com. Rep. No. 182 and H.B. No. 152, HD 1, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 152, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO WORKERS' COMPENSATION MEDICAL FEE SCHEDULES," passed Final Reading by a vote of 50 ayes, with Representative Say being excused.

**Conf. Com. Rep. No. 183 and H.B. No. 858, HD 1, SD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 858, HD 1, SD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In strong support, but I do have a note of sadness. This is an incredible program, a follow-up to our venture accelerator bill from last year, however I was notified this morning by Mr. Karl Fooks that there is a fatal flaw within this measure and therefore the program will not be able to move forward as intended. So it's sad that this has happened at the 11th hour, however hopefully we can come back and fix this and still keep the program going in the interim. Thank you."

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

"Mr. Speaker, 183 is all about entrepreneurship and I've spoken in support of that. I don't know what the fatal flaw is, but I know the flaw that we're missing in our economy is giving these entrepreneurs a boost and paying attention to those who create jobs, those who put together the resources to make economic development happen. As I've mentioned earlier, a dearth of entrepreneurs, you have a dearth of economic development. This high growth initiative is that stimulation that this government hopefully is going to put together.

"Whatever the fatal flaw is, I hope it's not so esoteric that the good Member from Maui can't say anything about it, but whatever it is, an entrepreneur can overcome that. That's what made America great. That's how we do things when we get pushed to the corner. The necessity is the mother of invention and I'm confident that whatever the problem is, that this thing can proceed."

At 3:27 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 3:43 o'clock p.m.

Representative McKelvey rose to respond, stating:

"Thank you very much, Mr. Speaker. Still in strong support. I would like to read the flaw for the Member's edification and then would like to yield the floor to the Finance Chair who has an ingenious solution to keep us moving forward.

"The Conference Draft 1 of this measure did not allow for the appropriation out of the revolving fund, only appropriation into the revolving fund. Hence the fatal flaw of HSDC may not be able to expend the funds in the program. However, I'd like to yield the floor to the Finance Chair who has a solution for this issue."

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

"Thank you, Mr. Speaker. In support, and we wanted to point out that we do appreciate and we did recognize the flaw in the bill, however Hawaii Strategic Development Corporation currently has a \$4.2 million revolving fund ceiling, so out of the \$6 million appropriated they can appropriate up to about \$4.2 million. We checked the balance and the expenditures in the past and they've only utilized about \$200,000 of the ceiling. So I think for now it should be fine and then it's something that we can fix in the budget next year. Thank you."

Representative Ward rose to respond, stating:

"Mr. Speaker, still in support. Entrepreneurship lives and the entrepreneurial spirit thrives. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 858, HD 1, SD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HI GROWTH INITIATIVE," passed Final Reading by a vote of 50 ayes, with Representative Say being excused.

At 3:47 o'clock p.m., the Chair noted that the following bills passed Final Reading:

S.B. No. 642, HD 2, CD 1  
H.B. No. 1374, HD 1, SD 1, CD 1  
H.B. No. 144, HD 2, SD 2, CD 1  
H.B. No. 833, HD 1, SD 1, CD 1  
H.B. No. 668, HD 2, SD 2, CD 1  
H.B. No. 51, SD 1, CD 1  
H.B. No. 697, SD 1, CD 1  
H.B. No. 152, HD 1, SD 2, CD 1  
H.B. No. 858, HD 1, SD 1, CD 1

**FINAL READING**

Representative Saiki moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Awana and carried: (Representative Say was excused.)

H.B. No. 17, HD 1, (SD 2)  
H.B. No. 800, HD 1, (SD 2)

The Chair addressed the Clerk who announced that the record of votes for the appropriate measure had been received which indicated that the requisite number of House Conferees appointed had agreed to the amendments made by the Senate, and had cast affirmative votes to report said measure to the Floor for final disposition.

**H.B. No. 17, HD 1, SD 2:**

In accordance with the Conference Committee Procedures agreed upon by the House of Representatives and the Senate, the managers on the part of the House recommended that the House agree to the amendments proposed by the Senate to H.B. No. 17, HD 1, on the following showing of Ayes and Noes:

Ayes, 4 (Evans, Rhoads, Kawakami and Cheape). Noes, none. Excused, none.

Representative Saiki moved that H.B. No. 17, HD 1, SD 2 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I'm rising in support of House Bill 17. Thank you. Just primarily I would like to have my remarks placed in the Journal, but I wanted to just encourage the Members to pass this through. It will provide lateral public access to the public along our coastal areas in perpetuity. Thank you."

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I rise in strong support of HB17. This bill is already law and is serving an important function, but it is set to sunset this year and we need to make it permanent.

"Mr. Speaker, Hawaii's beaches are one of our most precious and cherished commodities, but they are under attack on two fronts. Both erosion and creeping vegetation lines have combined to make some beaches in Hawaii, like those in my district of Kailua, under siege. HB17 tackles the vegetation problem head-on.

"In many coastal areas of Hawaii, certain beachfront property owners have planted saltwater resistant shrubbery and, either intentionally or through neglect, allowed it to grow unchecked. Many of these plants have grown all the way to the high-water mark, essentially erasing the beach that so many people have enjoyed over the years. During certain high tide events, lateral access between one section of beach and another becomes impossible without getting soaked because there is no beach to walk on.

"Once again, we have already passed a law that prohibits and removes encroaching vegetation from beach areas, but these law sunsets this year. Please help ensure that this important law continues to protect Hawaii's beaches for years to come. I would like to conclude my remarks by recognizing our former Hawaii State Representative, Barbara Marumoto, for her tireless work on this important issue. HB 17 appropriately could be named the 'Marumoto Beach Access Preservation Bill.'"

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

"Thank you, Mr. Speaker. In opposition. Mr. Speaker, my opposition is on the deletion of one gallon per person per day of sand. On Kauai, many people take advantage of the bucket of sand to mix into garden or yard soil. This occurs especially in my district, where the black sand is rich in nutrients and helps to grow vegetables and grass.

"The Relay for Life event places hundreds of memorial paper bags with sand bottoms on the ground so candles can be lit and made stable throughout the night. Arts and crafts utilizing sand would now be illegal unless you buy the sand from somewhere. Fishermen trying to keep fish, crabs or sand turtles alive may use some sand in their buckets but now it will be illegal.

"Perhaps this is a great bill for other islands, but for Kauai I have major concerns. Thank you, Mr. Speaker."

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

"Also in opposition and I would like to adopt the words from my colleague from Kauai as if they were my own. I agree with her, one gallon of sand should not be a violation, Mr. Speaker. After all, our citizens pay taxes as well. So, I like the current law. Thank you."

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

"Thank you, I rise in support. The part of the bill that addresses the sand really has come about because we're having lots of problems with people taking truckloads of sand, and they may show up with four or five people and take a bucket and they start putting sand and taking sand away.

"I think the whole intent of it was, if you say to people, 'don't take sand,' then hopefully the community understands when it's just inappropriate and then hopefully they call and hopefully the DOCARE Officers will come out.

"I think the fact that the exception is for traditional and cultural practices, is I do believe that our DOCARE Officers will discern when there is a traditional practice that people take things for certain reasons. For that reason I really support us really trying to protect our beaches.

"There are certain areas of the state where we're now having a lot of abuses, and this bill actually came from a Senator from Oahu who has personally experienced this and is really trying to fight that battle of how

do we stop people taking sand. So this kind of raises the consciousness and the level of people saying that it's just not right. So for that reason we believe it was right to pass it in this form. Thank you."

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

"Mr. Speaker, I'll be voting no on this measure for the reasons stated by the Representative from Kauai. I didn't read this bill until last night and there are concerns. I think the restriction is limited in allowing for those authorized under the exercise of traditional cultural practices as authorized by law permitted by the department pursuant to Article XII, Section 7 of the Hawaii State Constitution. I don't know if that particular provision would apply to all residents of my community, the residents of Wahiawa. Because of that I have some grave concerns.

"I think the intent behind this measure is fine. I think truckloads of sand coming off our public beaches is wrong and it should not be sanctioned, but I think the traditional practice of using sand in one's garden or for other purposes related to local cultural practices should be allowed. Obviously taking truckloads of sand is per se illegal and should be punished, but I have some concerns and for that reason I'll be voting no. Thank you."

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

"Thank you, Mr. Speaker. A no vote. In opposition, and just a few comments. I think if you look at what happens through our community, and many times schools, kindergarten schools or elementary schools, will go the beach and do a project and they'll put glue on the paper and do things like that. Is that going to be a crime too? Do we have enough enforcement officers now to regulate that and enforce that? I think not, Mr. Speaker. For all of the things that were said earlier, if we're talking about truckloads that's one thing, but if you're talking about a little bit of sand for somebody to garden or to do schoolwork. For those reasons, Mr. Speaker, I think this is not a good bill and I'll be voting no. Thank you."

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

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

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

The motion was put to vote by the Chair and carried, and H.B. No. 17, HD 1, SD 2, entitled: "A BILL FOR AN ACT RELATING TO COASTAL AREAS," passed Final Reading by a vote of 47 ayes to 4 noes, with Representatives Cabanilla, Morikawa, Oshiro and Tokioka voting no.

#### **H.B. No. 800, HD 1, SD 2:**

On motion by Representative Saiki, seconded by Representative Awana and carried, H.B. No. 800, HD 1, SD 2, entitled: "A BILL FOR AN ACT MAKING AN EMERGENCY APPROPRIATION TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM FROM THE ENERGY SECURITY SPECIAL FUND," passed Final Reading by a vote of 51 ayes.

At 3:56 o'clock p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 17, HD 1, SD 2  
H.B. No. 800, HD 1, SD 2

At 3:56 o'clock p.m., the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 5:29 o'clock p.m.

**LATE INTRODUCTIONS**

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

Representative Awana introduced Governor Neil Abercrombie.

Representative Ward introduced former Representative Blake Oshiro.

**END OF CALENDAR****UNFINISHED BUSINESS**

At this time, the Chair stated:

"Members, we'll be taking up items that have been moved to the end of the calendar. Please turn to page 12 and refer to Conference Committee Report Number 1."

**Conf. Com. Rep. No. 1 and S.B. No. 1084, SD 1, HD 1, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1084, SD 1, HD 1, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support. Mr. Speaker, this bill would bring the broad question to our voters, should we engage with private preschools. It is unfortunate that there are kids who come to school, on day one, playing catch-up, I saw many of these kids in my class, and the tragic truth is that many of these kids never do. Most of these kids come from less affluent homes and the gap between them and their more wealthy peers exists throughout school and their lives.

"This bill would ask the people of Hawaii if we should engage with existing preschools. I don't think our state can wait. I think it's a worthy question to put to the people. Thank you, Mr. Speaker."

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

"Mr. Speaker, I rise in opposition. Mr. Speaker, first of all I supported this with grave reservations early on because of the religious ramifications. Meaning that if we have this low or free preschool, children who want to go to religious schools, their parents would be inclined not to send them there because this is a better deal. I think it will hurt religious orientated schools, particularly the Catholic schools, and the Hawaii Catholic Conference in their testimony indicated as such.

"Mr. Speaker, we also have problems in our K through 12 system. I represent Campbell High School, which has 3,000 students. There's been a plethora of articles regarding the heat in those classrooms, and we've taken some mitigation this session with regard to upgrading the electrical system, and we're going to get part way there, but we still won't be fully there where we can get them air conditioning. So before we take on new expenditures, I think we should focus on our core responsibilities, which is K through 12.

"Finally, Mr. Speaker, we all support early education. I support early education. But we have other issues that are more pressing. We have about five schools with dropout rates above 20%. Some as high as 31% and that's based on information I got from LRB. 31%, 27%, these are schools in low-income areas, geographical areas that benefit from Head Start already.

"Preschool will do nothing when we matriculate these students into a failing system that follows on K through 12. It won't do anything. You send the wonderful child in preschool but put him in a high school with a dropout rate of 31% that doesn't include the kids who make it all the way through 12th grade who don't graduate, don't meet the requirements, they're not considered a dropout, and the kid in 11th grade who reads at a

6th grade level. We've got serious issues we need to address in K through 12. So those are the reasons I'm against it.

"Now, as part of an overall solution, a program moving forward such as the Berman Report outlined in 1988, I support that, but it needs to be done at a pilot project level. See what works, see what doesn't work. I would also ask that when we do that, we allow religious schools to participate like other states in the country do. Today, we heard other measures that DCCA says, well this is done in other states. Well if it's done in other states, why can't we do it here and let children go to religious schools if their parents choose? They're not being forced. Let's give them that option. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, all through session I've been with reservations on this measure. In the last 24 hours, I have changed that to strong support. Mr. Speaker, three weeks ago I was talking to one of the Senators, and that Senator told me, Jo, at some point in time we have to make tough decisions today that make changes for our future, and sometimes those tough decisions could be how many dollars, or just a simple yes or no.

"So, Mr. Speaker, I think we should take it upon ourselves to move this measure forward and allow the public the opportunity to vote on this measure.

"See, Mr. Speaker, I look at my schools right now, and I hear from my teachers saying how overburdened they are with these children not being ready for kindergarten or first grade, and how much more resources our Department of Education has to expend for our teachers, our EAs and our classrooms, and how many more hours we have to spend on these children just to get them ready to learn A-B-C and 1-2-3. I think we owe it to our DOE teachers, to our school system, to our taxpayers, that we have our children prepared for elementary. This is one of those tough decisions where we're going to have to sacrifice now for our future. And this means everybody's future, Mr. Speaker.

"So all we're doing right now is voting on a measure that will allow the general public to tell us how we should proceed. So I hope we all have the courage to allow the general public to speak their mind. Thank you, Mr. Speaker."

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

"Thank you, I rise in strong support. Thank you. I believe that we're transforming education in Hawaii and given that I represent a rural area of the state I can tell you I believe we're moving from the agricultural economic base way of looking at education and we're moving towards the 21st century way of educating our children. I think it's very transformational that we're actually right now talking about going out to our community saying let's look at preschool.

"Because I do believe the demands of employers, I believe what's going to happen in Hawaii, who the employers are going to be. I believe that if we're successful as a Legislature in diversifying our economy and moving us forward with what I think is going to be a new way of doing business in Hawaii and attracting different businesses to Hawaii, we have to educate our children differently.

"I believe this preschool is transformational, it is going to help our children. Given from a rural area where I grew up in Illinois, I can tell you that my grandparents and my parents did not see the value of education, because that's not what they needed to make their way in life. I've always had concerns here that a lot of people either don't see beyond high school because they see themselves working in the hotel industry, and not understanding that if they get a better education they can move beyond just maybe working at hotels and to supervision administration.

"So I think the time has come that we really make sure that our children are ready when they go into kindergarten. So I'm very excited, I think, take it out to the public, let the public have that discussion. But clearly we have to educate our kids because they're going to be generating the income and

the taxes for us so that we can have these programs for our senior citizens, our disabled community. We really have to empower our children, so I see this as a way, and I'm looking forward and I really want the public to weigh in on this. That's why I support this ConAm going out and asking the public. Thank you."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, in part I see the reasons for the hardship existing in our public schools is because when they enter the school system they don't have the skill set and the knowledge that other students who had preschool under their belt have. In addition, Mr. Speaker, I believe that early education is one, if not the most, important measure that we can pass this session. Because, Mr. Speaker, a good start for our *keiki* is a great start for the future of Hawaii. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition. Mr. Speaker, along with some of the religious issues in regards to this and how it's going to affect religious institutions in the State of Hawaii, there are also a couple of other reasons why I'm opposed to the measure, Mr. Speaker.

"When they were going to close down Kaaawa Elementary in my community, Mr. Speaker, which is one of the best performing elementary schools in the state, the reason that they gave was that there were inadequate facilities for the school because we had portable classrooms. That was one of the standards and reasons given that we're going to shut down one of the best performing elementary schools in the state because you have inadequate facilities, because what the Department of Education gave my community and my kids were portable classrooms. That was deemed as substandard facilities for the kids and criteria's like 2/3rds of the classrooms were substandard.

"There's another reason, Mr. Speaker, and because we have these issues with our facilities which we just addressed not too long ago with the aging and inadequate facilities we're giving our kids to go to school with. It's also reflected with Kahuku High School, Mr. Speaker. Every time we get a good dose of rain, my brothers and sisters get excited because they know they don't have to go to school, because we haven't solved the flooding problem for the kids in my community. So they either have to not go to school or if they go to school they go to a school that still has inches of water on campus that sits there for days that's bacteria-infested.

"Now this is of great concern to me, Mr. Speaker, because if we're not taking care of what we already do have, how can we trust ourselves with even greater responsibility? That was the same thing that I had growing up as a farmer. If I had a dog or if I had a pet and I wasn't taking good care of that animal, my father wouldn't give me any further responsibilities.

"Given the fact that some of the schools in my community are going to be adversely affected by the lack of funding that we have and the potential, the commitment of funds that we're going to give to this new program, and we're going to lay that in solid stone when we make this constitutional amendment, Mr. Speaker. Is the flooding problem going to get solved at Kahuku High School? Are my kids going to be able to go to school when it rains? Are they going to continue to pressure to shut down Kaaawa Elementary because it has substandard facilities?

"So until these questions are answered, Mr. Speaker, I would like to see what limited resources we do have committed to first taking care of the responsibilities that we currently bear and shoulder at this time, before we expand the responsibilities to other areas, Mr. Speaker.

"As a person who received my education often in classrooms that were thatched out of coconut leaves, Mr. Speaker, I understand the value of education. I understand how important it is to give the right facilities to those who really need it. So for those reasons, Mr. Speaker, at this time I must be opposed to the measure and would like to see a pilot program before we commit ourselves full-force to this. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. In strong support. I just want to respond to some of the comments made by the previous speaker and also remind ourselves, the bill before us is merely whether or not we should put this question before the voters. If the voters decide that this is something they believe the Legislature should do, at that point I'm sure we're going to have, whoever's in the legislature, at that time, I'm sure we're going to have a very rigorous and robust debate as to what this early learning system should look like.

"Let me just make a couple of points. Constitutional amendments, indeed the Constitution, Mr. Speaker, is not cast in stone. Indeed, it's a living document that we make changes to. So if the voters should vote for this constitutional amendment, and who knows, in subsequent years another ConAm could be put in the ballot that repeals that. That has happened before, I suspect that could happen again in the future. Once again, it's a living document.

"The concern that people have about whether or not this takes away from the public school system, Mr. Speaker, is a straw man argument. By that token, the \$6 million that we appropriated to the HI Growth Initiative is taking away from the K-12 system. In fact, every General Fund appropriation that we made in this Chamber today by passing out House Bill 200 that did not go to the DOE took away money from the DOE.

"I don't like the implication that somehow, if we put money into early childhood education, a dollar in early childhood education is taking away from K-12. Far from it, Mr. Speaker. This is an investment. It's not expenditure. By all measurements, whether you look at it from an economic, financial, social or political point of view, Mr. Speaker, this is an investment in our future. Study after study after study has affirmed this.

"Now whether or not people want to vote against the constitutional amendment for their own reasons, I will respect that, but for me, I am supporting this ConAm. Have the people of the state vote on it, and I'm willing to abide by whatever they desire. Thank you, Mr. Speaker."

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

"Mr. Speaker, I was going to vote no but I think I'm going to speak in support now. Let me give you a few reasons of why I was going to vote no first. The logistics just weren't too clear about what the program will be. For example, the cost, we had a lot of questions in the Finance Committee about transportation, how many students will it serve, how would it fit that capacity. To put it quite frankly, those questions weren't adequately addressed. We had a folder put in front of us that said it had an implementation plan that was about half a page long.

"We just passed, a few hours ago, an Open Doors expansion which I thought was a good idea for the school readiness portion of the program, and we allocated \$6 million for 900 students. Now that's nearly \$6,700 per student. That's around \$2,400 more than the weighted student formula for DOE, and at that rate, why not just add a grade. So with that, if we're spending that much just on this portion, how much are we going to end up spending on this early ed portion.

"There's a couple more points raised by HSTA, the teachers. They said for four year olds, why should we create a new program for four year olds before we're even sure that five year olds get the benefit of mandatory kindergarten. Well when you look at the numbers, there are over 95 or 97% of eligible five year olds that enroll in kindergarten. So even though it's not mandatory, they're going, and that's roughly around the same rate that the first graders attend, which is mandatory. So I don't think that distinction really makes too much of a difference.

"They noted that we need to provide adequate funding for facilities, materials and personnel in our existing public school system. Sure I agree, and that's why we put \$12.9 million in weighted student formula, and a lot more for classroom materials, common course and laptops, tablets. We also put billions into infrastructure improvements. So that point I think is being met.

"So I want to go on record as supporting teachers because I do, but after hearing very, very compelling arguments from a teacher in this Body and a



Member who has a teacher as a spouse, a hardship for them is when they're a kindergarten or a third grade teacher and they have students come in who aren't prepared. This type of program makes their lives a lot easier, the lives of teachers now.

"So there's a lot of, you get torn in between those two sides. So for me it's just, if this gets on the ballot and it goes through, the only concern I have left is will it be implemented well. For that I leave it in the Administration's hands. So, in support."

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

"Thank you, Mr. Speaker. In opposition. With a constitutional amendment that may further politicize this debate, and depending on how the question is written on the ballot may also lead to further confusion. I do think this is an issue, though I may be evolving on because I'm struggling with the question, if you're raising children and can't provide preschool, should the state provide preschool for you, and at what price? My concern today is, should public money go to private schools? Are we going down a very long, expensive, complicated road?"

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

"Thank you, Mr. Speaker. In support, but with reservations. I too, I think this was a really difficult decision. As a former preschool teacher, I absolutely know the value of early childhood education, and I don't think we're debating that today. I think we're debating if this is the way the state should approach expanding early childhood education.

"My reservations are that I don't think we fully explored the range of options we might have and how we might expand early childhood within the public system and keep our public funds in public institutions. But I do think that it's worthwhile keeping this door open while we continue that discussion and letting the citizens decide. So for that reason I've decided to go in support with reservations."

Representative McDermott rose to respond, stating:

"Second and final time, Mr. Speaker. Still in opposition. Mr. Speaker, we have a system, a K through 12 system, where we are not up to where we need to be yet. I think everyone in this Body agrees with that. There is room for improvement.

"Mr. Speaker, I had LRB pull statistics for me, dropout rates above 20%. There are some crisis situations we have in this state, K through 12, which we should focus on first. 68% of the dropouts, you know where they go, Mr. Speaker? 68%, they go to jail. They go to jail. We've got a crisis, we've got to take care of that first. That's K through 12, and we should work on that.

"Now, Mr. Speaker, just for your point of information, I'm not just casting, criticizing, I offered a one page executive summary to the Governor's deputy chief of staff to say I want to work with you on this. Here's a pilot project I think we can work on. Addressing and targeting these areas.

"So, Mr. Speaker, we all support early education, we all want to move forward in this direction, I certainly support it. But I'd like to see religious schools included if we could do that. This language prohibits that. In fact, Mr. Speaker, the language is so restrictive that if a Catholic school wanted to offer state funded preschool, according to the Attorney General in his questioning, they could not have a cross displayed. Even if they weren't proselytizing they couldn't have a cross displayed. A nun could not teach a preschool class in her uniform, her habit, which she wears every day. I find that very problematic. That's why the Hawaii Catholic Conference is against it.

"So, the religious reason and also the K through 12, we're not there yet. So those are the reasons I'm against it. Thank you."

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

"Thank you, Mr. Speaker. I rise in support. We cannot place a price on a child's education when, through it, they may be able to contribute ultimately infinitely more to society. I recognize this is not a perfect measure, nor a perfect program, nor a perfect design, but I think it's a step in the right direction. I think it's something that we ought to consider and allow voters to consider. So for those reasons, I'll be supporting this measure. Thank you."

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

"Thank you, Mr. Speaker. In support. I just wanted to point out for the Members and the folks listening in, those in the gallery. The former Majority Leader would always remind us to read the bill, and this is a very short bill, it's three pages. So we should take the time to read the bill. So on page 2, it says:

SECTION 3. The question to be printed on the ballot shall be as follows:

"Shall the appropriation of public funds be permitted for the support or benefit of private early childhood education programs that shall not discriminate on the basis of race, religion, sex or ancestry, as provided by law?"

"As we all know, the component 'as provided by law' is commonly used in constitutional amendments to allow the legislature to come back in, review the constitutional amendment, and then enact appropriate implementing legislation. I think that needs to be understood, because I think earlier in the discussion people may have been confused on what would be printed on the ballot.

"Another thing we should look at when reviewing the bill, is that this was carefully drafted to address some of the concerns of those private providers here who may be providing some sectarian type education or services in the community. First of all, I think this bill is quite well crafted in that it limits the proceeds of public financing for these programs for, number one, not-for-profit corporations that provide early childhood education and care facilities serving the general public. And number two, not-for-profit private, nonsectarian and sectarian elementary schools, secondary schools, colleges and universities. So I think it's very clear from the language in the bill of what this bill does and does not do. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. Thank you for the prior Representative. I did read the bill finally. I'd like to change my vote to strong reservations. I can see now that it's not-for-profit corporations, and I can support that. But I have been consistently going down on this from the beginning and I'm willing to change my vote now to send it out to the public for them to decide.

"This tears me apart because if this should pass, the expectation will be that every child will have access, and that's what really worries me, and I just hope that the Administration will be able to deal with that. Thank you, Mr. Speaker."

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

"Mr. Speaker, I thought that I would listen to all the speeches before I begin to speak myself, but I feel compelled to speak because I ran a Head Start program for 17 years, a 3 – 5 program, and I've seen the development of the child versus one who did not have. So I know that early childhood education is extremely important.

"However, this measure that's before us, it simply states that shall the state money be available for early education for other than public schools for the private sector. So that's the essence of this bill.

"Now, as has been mentioned in the past, everybody pays taxes, the private sector and the public sector. So the private sector who pay taxes of course do have a right to share in the public coffers. But as this moves along, and I hope it will, the public should be aware that in the long term,

or in the relatively long term, it's going to be taking a lot of money. I hope the public is aware that they're going to have to cough up at some point in time. It's not a free lunch, because this is going to be a major, major program. But I believe, I sincerely believe for the benefit of the state, for the future of the state, childhood education is very necessary if we're going to progress as a state. Thank you very much."

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

"Thank you very much. In strong opposition to the constitutional amendment. Mr. Speaker, I am very concerned about the constitutional amendment, and that is not to say that I am opposed to school readiness or early childhood education. I think that those are key. All the concerns brought up about the K-12 system I think will see great improvement if we do invest in early childhood education and our youth.

"However, I am concerned about the method that we are seeking to go forward and implement this program. It's predicated on a constitutional amendment that must be approved by the voters. So that will represent several years of investment into a program that we are not certain will bear fruit.

"What I would like to see, and what I would like to suggest, is that we look at a program that will not need a constitutional amendment. Because this is very important. I applaud the Governor for bringing early childhood education to the forefront here. I think the Legislature has spent more time on this issue because of this than at any other time in history. Of course, my history is very short here in this body.

"However, I think that it is crucial that we do move forward in early childhood education, that we make the investment that the Speaker has spoken of, because it is crucial to the success of us as a people, and Hawaii as a state. With that said, however, I would like to encourage the fact that we find other methods to make this happen without being predicated on a constitutional amendment.

"Throughout the discussion, I've heard all of these scare tactics, I think of why it is we need to have this constitutional amendment. I've heard of all of the, 'we need to have this otherwise no can do this, no can do that, no can do the other thing.' What I'd like to focus on is what can we do right here and right now without the constitutional amendment, because it's too important an issue to let ride on whether or not we're going to pass a constitutional amendment.

"We should have contingencies so that regardless of what happens we continue to move forward and ensure that we invest in our *keiki*, so that when they get to the K-12 system, they will be ready for it. Thank you very much."

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

"Thank you, Mr. Speaker. In strong support. Mr. Speaker, if you look at the bill and you read the bill, it will give the people of this state, and especially our children, the opportunity to learn. Everybody knows, we all know, that the best time to teach our children is between the years of 0 – 3 and 3 – 5.

"I have a son who's deaf, and all of the doctors have told me the majority of the hearing and the nerve endings that the children learn is between those years. That's why getting them early in preschool is so important, Mr. Speaker, because their brains, their nerve endings, are learning all of these different things, and we need to catch them sooner than later.

"This will be one tool. We passed a bill two years ago that allowed the Administration to be in charge of the DOE, that was another tool. We're making steps in the right direction, Mr. Speaker, and I think for those reasons, this is an opportunity for our public. We talk about open, transparent, all of these buzz words, but this is what this is. We're giving the public the opportunity to vote. For those reasons, Mr. Speaker, I'm supporting this bill. Thank you."

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

"Thank you, Mr. Speaker. I'm standing in opposition for the following reasons. I understand that it's just a question that we pose to our voters, whether they go up or down. But on the other hand, should this constitutional amendment pass, it's just as good as writing a check, because at that point in time, you can no longer defy the wish of the public.

"My concern is that I believe that there's a lifecycle here that needs to be discussed. There's a time that you're born, there's time you enjoy your babyhood, your toddlerhood, your childhood, and being a child or a grown-up. Now I kind of feel that institutionalizing a child at such an early age is robbing that person of that gift of life that was given to them, just to be a baby, to be a toddler. Learning doesn't only happen in schools or preschools or kindergarten. It can happen in your own house.

"I was talking to a grandma, a fellow grandma in Ewa Beach, who said it's really horrible to just awaken those children so early. It's so horrible for the parent to wake up those children to go to school to be routinized this early. So that's my concern. I think that we need to preserve the quality of life of our children as well, and a classroom is not the only place that they can learn.

"Secondly, the growing unfunded mandate of the state, and as I understand it's in the billions and it's growing, Mr. Speaker. Yes, the economy is better now. What happens when the economy drops? Are we going to raise taxes, are they going to close programs? What shall we do then? So I think that, considering the other things that are going on in this state right now, I think that we should not proceed with this measure. Thank you, Mr. Speaker."

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

"Mr. Speaker, I stand in support with reservations. My reservations, Mr. Speaker, are because I'm concerned about the potential implementation, if in fact it comes to fruition.

"I'm in support because, of course, we support our teachers. Of course, we need to do that. But also, we support our teachers because we support our kids. My daughter, my oldest, she went to school with the President's niece, we had money to do that. My youngest son, he went to school at Head Start, because I realized that it was important for my kid to get an education, an early start, and now he's succeeding. He's doing well, he's excelling. So I stand in support of this with reservations. Thank you."

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

"Second time, still in opposition. Mr. Speaker, one of our previous speakers said that it is a straw man argument to say that spending money on this will take away resources from our K through 12, Mr. Speaker, and that is correct. I mean, that's some of the decisions that we make here, because every dollar we spend on one program we are not dedicating to another program. Mr. Speaker, I sat through and I listened to the hearings in regard to this and I wasn't confident of the boots on the ground knowing how to carry this mission forward.

"I understand the question that's here, and I'm sure if we pose this question to my community, the question of whether we support early childhood education, Mr. Speaker, really isn't the point. We all agree that early childhood education will be a good thing. But if you put on here, Mr. Speaker, because this program over the next number of years is going to cost hundreds of millions of dollars. Now if you ask my community, should we support this and not spend the money on taking care of the facility needs that we have with Kahuku High School and the other elementary schools we have in the district, I'm sure the answer will be different.

"Mr. Speaker, I would appreciate if we could allow the opportunity, given the nature of this question. I would like to take this back to my community and talk to them about it. I could come back in another session and have a different answer. But I believe, given the needs that my

community talks to me about the most, are the current needs with the inadequacies of what we currently have before us and not being able to take care of what we currently have, Mr. Speaker, before venturing into something now."

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

"Mr. Speaker, in support. The argument that somehow this is going to detract from what's happening later in the educational system I think is a red herring, and the reason is because, if we had good early childhood education, we wouldn't have as many problems later, farther down the road. When you look at a situation of limited resources, the place to spend the resources is very early in the child's life, not waiting until they're 16 and the course of their life is largely set already. If we're just looking at assignment of scarce resources, the place to put it is early childhood. *Mahalo.*"

Representative Ing rose to respond, stating:

"Second time, still in support. I'd be remiss if I didn't thank the hard work that the Chair and Vice Chair of Education have done pushing this issue forward, and also the Senate Chair who's in the gallery right now. I'd like to apologize for giving you guys a hard time throughout this session regarding this issue.

"When I take a step back and look at the bigger picture, I realize why I need to be in support. I ran for office, and not to try to take the status quo away. I was also thinking, we can just vote no on this, when there's less pressure, maybe next year there'll be less, maybe more, but we can always wait, push it down the road. But that's the exact thing that I didn't want to be sucked into when I ran for office. If there's something that needs to be tweaked with implementation, I'll be here. I'll be here 20 years from now to tweak it if there's something wrong. Probably 50, who knows. That's like my whole thing, for Maui's future, for Hawaii's future.

"So when I try to look at the bigger picture, I'm like, 'Kaniela how can you be thinking the way you were?' So *mahalo* for your efforts, and in support."

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

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

"Mr. Speaker, in support. I'd like to express my admiration for several people who have taken the Floor who have shown that they have both wisdom and political courage. People who were wavering, walking the line between yes or no, and have come down on what I consider to be the wiser choice, in support of this item.

"When we are elected to office, we are not given a crystal ball. Sometimes we don't know all of the facts. Sometimes the facts are conflicting. Sometimes the experts, the researchers, the analysts, present studies that both support and oppose a particular position.

"On this item, we have had people in public, in committee and on this Floor, say things that I believe are factually incorrect. One of them is that Head Start is a failure. There are studies on both sides about Head Start, but I recently read an article saying that opponents of Head Start cherry pick the studies that are in their favor. Indeed, what has happened over the last few decades is that there has grown, particularly in Washington D.C., a whole cadre of very partisan research organizations, well paid, learned men, who somehow come down on the side of where their paychecks come from.

"So I would like to assure everyone that on the substance of issues, such as this, there is very good, solid research to say that, whether it's called childcare, early education, preschool, there are great benefits in having young people go to school early.

"In terms of the issue of political courage. Sometimes we can't know everything, and we never can. But in that process, we have to admit if we

don't know everything, perhaps we should change our minds or we could change our minds. Changing minds for politicians is a tough thing, and I would commend those who have made that tough choice and come down on the side of what I would call wisdom. Thank you."

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

"Mr. Speaker, in strong support. I just want to simply say, let the people decide and let us vote. Thank you."

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

Representative Ichiyama's written remarks are as follows:

"Thank you, Mr. Speaker. I rise in strong support of this bill. I believe that allowing the people of Hawaii to vote on whether public funds may be used for private preschools as a part of a statewide early childhood education program is a critical step in the right direction.

"The research and statistics overwhelmingly support an investment in early childhood education. Our children deserve the best opportunities for success, and essential to that success is a solid foundation for lifelong learning.

"Many of the critics of this bill claim that we are taking money away from the public K-12 school system. I respectfully disagree. I would direct them to the state budget, where this year we increased funding for the weighted student formula and invested in a one-to-one electronic device to student ratio. Giving students from low-income families the opportunity to attend preschool will only increase their chances of success in the K-12 school system and help our public schools overall.

"I commend the hard work of the Education Chair and Vice-Chair on this bill and I will continue to support their efforts to bring Hawaii into the twenty-first century with early childhood education.

"Thank you very much, Mr. Speaker."

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

"Thank you, Mr. Speaker. Since you asked for comments in support or opposition, my vote would be a 'with reservations,' and please let me explain why. I commend the Governor for taking the leadership role on this, and I commend both Chairs of the House and Senate Education Committee. Actually, because of their input and openness as this measure moves forward, my opposition has moved to with great hope and support with some concerns regarding the potential impacts of who and when determines which kids are part of the program, which kids don't make it, which communities may have these programs available in robust fashions and which do not.

"I understand, I've met with the Chair of the House Education Committee and we've had some discussions on the issue of vouchers, as well as he and I have had a number of talks regarding Attorney General opinions. You get 10 attorneys in a room, you have 12 opinions. So with that notion, Mr. Speaker, as this measure moves forward, I commend their efforts to help the children, but, again, my reservations is making sure that we're able to help all children, and we don't have to choose between which children are helped and which ones are left behind. Thank you."

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

"Thank you, Mr. Speaker. I rise in opposition, and I'd like to have the words of the Representative from Hamakua added as if they were my own with the following addition.

"I am not ready to vote on the authorization of this constitutional amendment because many of my questions that I brought up during this session have not been fully answered. As the Representative from Laie has said, I would feel more comfortable given time to vet this question to the

people of my district. Being a new legislator, this is an issue that is very, very important, but I feel has had no discussion within my community. It is my job to represent them, and at this time I don't feel that I should be putting this question to them without all of the information that they would probably need to make an educated decision. Thank you."

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

"Mr. Speaker, can I just request written comments in opposition, and I just wanted to really quickly say, I think I have an easier decision to make today than most people here because I've only heard negative things from my district. I've only gotten about five letters in support and everybody else is against it. The reason why is because both the public school teachers, for the reasons we heard today, are against it, and then the private schools that are unsure whether or not they'll be able to receive the money.

"My concern now is just that if we're still so unsure, and all of these people are voting with reservations, and perhaps it's just sort of me being a naïve freshman, but I feel like we're changing the constitution here, so if we're not sure, then I think it should be a 'no' right now. So that's why right now I am a 'no.' I do agree that we do need to move forward with early childhood education in some way, and that's why I voted for school readiness, but it's not the time for this right now.

"We're moving too quickly and I think we do need more time to vet this with our communities better, so people fully understand what's going on, so that we fully understand what's going on, before we vote to change the constitution. Thank you."

Representative Fukumoto's written remarks are as follows:

"Mr. Speaker, I rise in opposition to SB 1084, SD1, HD1, CD1. I've received many calls and emails from my constituents in opposition to this measure. Like my constituents who voiced their opposition, I recognize the importance of early childhood education and increasing access to it, but I believe it should be done in the right way. One good effort that we've made toward making preschool more available was appropriating funds for the Preschool Open Doors program, which would help to make preschool accessible to more families, particularly those with low incomes. This program is already in existence and working well. I believe early childhood education is very important and increasing access to a good education is a way to promote upward mobility and equal opportunity if done correctly. But I am not yet confident that the early childhood program proposed will be implemented properly.

"One of my major concerns is that the Hawaii State Teachers Association and many of our religious preschools – who make up a significant percentage of the private early childhood programs in our state – were not adequately consulted on this constitutional amendment or the program that it could create. We cannot implement meaningful reform by disenfranchising the existing educators that work so hard to teach our *keiki*. This measure would do just that.

"By rushing this measure without consulting all stakeholders, I am very concerned that the programs enabled by this constitutional amendment will not achieve their purpose, and therefore, they would not be in the best interest of our *keiki*. While there is ample evidence that early childhood education is vital to a child's growth, most of the evidence hinges on those children receiving a quality education. The oft-cited HighScope Perry Preschool study showed that a preschool program can work. Three- and four-year-olds from low-income families who participated in the HighScope Perry Preschool program were tracked over four decades. The study found that they were more likely to graduate from high school, more likely to hold a job, had higher earnings and committed fewer crimes than children that didn't go through a comparable program. HighScope's president said that 'These findings can be expected of any Head Start, state preschool, or child care program similar to the program HighScope coordinated and then studied. Our teachers were well-qualified, they served no more than eight children from low-income families at a time, they visited these families as part of the program to discuss their child's development, and the classes operated daily for children three and four years old.'

"Unfortunately, this program is not the program that's been presented to the Legislature. After numerous legislative hearings, the details of the program are still unclear, and we cannot be sure that this vote will lead to a meaningful and quality educational program. We need to remember that doing this poorly would be costly for the state and our *keiki*. Other states that have acted to create state-funded early childhood programs like this one are already learning that lesson. There are 40 states with similar programs in place and 27 of them are experiencing funding problems. Consequently, many of them haven't been able to provide a high-quality program and have missed their educational benchmarks.

"Of course, proponents of this measure would argue that we're just giving people a chance to vote on whether or not they think we should give state funds to these programs. However, I believe that our constituents expect us to have fully vetted an idea when we vote to put it on the ballot. Mr. Speaker, from the abundance of votes today with reservations, I think it is clear that we have not achieved a clear understanding of the potential effects of this measure. If we are going to move to amend the constitution, I do not think we should do so with reservation. We need to be confident that we are doing the right thing, and Mr. Speaker, we're clearly not.

"In conclusion, Mr. Speaker, I cannot support this measure because I do not believe that it is in the best interest of our *keiki* despite the arguments made to the contrary. This Legislature chose to act against the best interest of our 4-year-olds last year when they eliminated Junior Kindergarten and forced thousands of kids to be without a place to go to school. This action forced us to make a rushed decision today when we should be considering education reform more methodically and with all stakeholders, including our public school teachers and our religious educational institutions, at the table. Because we can take care of our displaced 4-year-olds through the expanded Preschool Open Doors program, which I support, I proposed that we hold this measure until it's been more thoroughly reviewed. If we're going to do this, we need to do it right. We can't afford not to. But, at this point, we're not in a position to responsibly bring this question to our communities and give them the assurance that it will correctly. Thank you, Mr. Speaker."

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

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

"Mr. Speaker, I was not going to speak on this particular issue, but I am going to speak in opposition. I'm called to speak in opposition given that the Representative from Downtown Chinatown said, if we had a good program, this is the best thing since sliced bread. I totally agree with you 100%.

"My difficulty, Mr. Speaker, is I'm not convinced that we can do better in preschool than we're doing with our present school system. We've had 50 years of preschool with Head Start, 50 years and \$80 billion, and yet regardless of the political persuasion, we still have equivocation of whether it works or doesn't work. If you've got 50 years and \$80 billion, by golly, you better know something works or doesn't work, or you're just doing, as they say, the definition of insanity is repeating the same thing over and over and expecting different outcomes.

"Mr. Speaker, my daughter went in Washington D.C. to preschool. She got a lot of colds and learned how to swear at 4 1/2 years old. It was good in terms of socialization, but again, I go back to, as I spoke earlier about the school readiness program, the science of early education is very clear. It is the best thing that we can give to our children. However, the highest correlation with student achievement is parental involvement. If you don't get the families involved, it's not going to work.

"The Representative, I believe, from Mililani said, if we have those selected in and the others selected out, i.e. dysfunctional families, those who have the drop outs where 68% drop out and get into prison, then what have we done? We've become a middle class babysitter for the people of Hawaii who can already afford it or they're already leading and breathing education into their children.

"So, Mr. Speaker, this is the easiest program to do poorly, and if we're going to do it, we've got to do it well. Right now I don't think we've vetted this enough to know that we know what we're doing rather than putting all this money on the line to say, yeah we know what we're going to do, we're going to do it well. So, again back to what the speaker from Downtown Chinatown said, if we have a good program, let's go for it. Right now I don't think we've got a good program yet. Thank you."

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

"Mr. Speaker, in strong support. May I call for the question?"

At this time, Representative Har called for the previous question.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1084, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT PROPOSING AN AMENDMENT TO ARTICLE X, SECTION 1, OF THE HAWAII STATE CONSTITUTION TO PERMIT THE APPROPRIATION OF PUBLIC FUNDS FOR PRIVATE EARLY CHILDHOOD EDUCATION PROGRAMS," passed Final Reading by a vote of 37 ayes to 14 noes, with Representatives Brower, Cabanilla, Cheape, Fale, Fukumoto, Hanohano, Ito, Johanson, McDermott, McKelvey, Nakashima, Onishi, Takai and Ward voting no.

At 6:21 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 1084, SD 1, HD 1, CD 1

**Conf. Com. Rep. No. 7 and S.B. No. 507, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 507, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO PLANNED COMMUNITY ASSOCIATIONS," passed Final Reading by a vote of 34 ayes to 17 noes, with Representatives Aquino, Cheape, Coffman, Cullen, Fale, Fukumoto, Har, Ito, Johanson, Kawakami, Lowen, Morikawa, Ohno, Takai, Tokioka, Wooley and Yamane voting no.

At 6:22 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 507, SD 1, HD 1, CD 1

**Conf. Com. Rep. No. 12 and S.B. No. 1207, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1207, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. I'm rising to speak against the measure. Thank you. Mr. Speaker, I had a very long speech, and I had colleagues that were going to give me their three minute or five minutes time. It's a late night, I don't want to do that. I think people's minds are made up. I would just like to say a couple of things.

"The Department of Transportation consistently comes to this Body asking for exemptions from our environmental and land use laws. I think it's time that they stop. I think it's time that we change the culture in the Department of Transportation, get them to comply with the law, go to the Environmental Council to ask for the categorical exemptions, which they could get, and stop doing what they are doing with this bill.

"This bill conflicts with our constitutional protection for Hawaiian rights. We protect those rights in the constitution and this bill tries to trump that constitutional protection. It's a lawsuit in the making, and whoever brings the lawsuit on behalf of Hawaiian cultural rights will

prevail, and I think it will just, in essence, ultimately cost the state more money.

"I would like to ask that my full remarks be placed in the Journal, Mr. Speaker, and I would hope that I would have a smattering of Members in your caucus that would join me with a no vote, saying that we believe that the Department of Transportation should comply with the law and that the protections that are there are to protect Hawaiian rights, and to protect the public's access rights, and a myriad of others that will not be protected if this bill becomes law. But I guess that the other point of that is, that in the event the bill does become law, there'll be a lawsuit and then the bill will be struck down. Thank you."

Representative Thielen's written remarks are as follows:

"Mr. Speaker, I am speaking on Senate Bill 1207 and its conflict with the Hawaii State Constitution.

"Senate Bill 1207 seeks to exempt the Department of Transportation, Harbors Division, from the permit and site plan approval requirements established for lands within conservation districts (e.g. exempting state commercial harbor projects from the Hawaii Environmental Policy Act [HEPA] and the DLNR's Conservation District Use Application).

"According to Hawaiian case law, the Hawaii State Constitution, Article XII, Section 7 creates an obligation for the State of Hawaii to protect native Hawaiian traditional and customary rights. DLNR's Conservation District Use Application, from which the DOT Harbors Division would be exempt, requires an applicant to identify cultural, historical and natural resources that are important for exercising native Hawaiian traditional and customary rights, and determine how they will be affected or impaired by the proposed action. Since SB 1207 creates exemptions from permit and site plan approval requirements for lands within a conservation district, and these exemptions lead the DOT and other regulatory bodies to neglect to include impacts on native Hawaiian traditional and customary rights, any native Hawaiian who lives in or near the district may have standing to sue or, at the very least, enjoin the action. It is unclear why the Legislature would seek to provide an exemption from DLNR's Conservation District Use Application requirements (along with other state laws) since the DOT would be acting illegally if it failed to fulfill these requirements under current case law interpreting the Hawaii State Constitution.

"Any project that affects the navigable waters of the United States, whether it is a federal, state, or private project, must obtain a U.S. Army Corps of Engineers (USACE) permit. A state harbor improvement project would fall under this category and, although it would be exempt from the NEPA review process and state HEPA process (at least if SB 1207 is passed), it would still need USACE permits.

"While a state harbor project would probably require a permit by the USACE under the Rivers and Harbors Act of 1899 (Section 10), it would most certainly require a permit under the Federal Water Pollution Control Act, or 'Clean Water Act' (Section 404). There are three types of permits issued by the USACE under Section 404: National, Regional, and Individual. A state harbor project would almost certainly require an individual permit, as national and regional permits are usually issued for categorical actions that are expected to have little to no impact on the environment.

"Of the numerous factors the USACE takes into consideration when issuing an individual permit (Section 404(b)(1) Guidelines), NONE explicitly review the impact on native Hawaiian traditional and customary rights. There is simply a period of time for the public to submit comments about the project, followed by a review and response to the comments, and finally a public interest review is conducted. Once again, nothing in the Section 404(b)(1) guidelines explicitly covers native Hawaiian traditional and customary rights.

"If the Legislature enacted SB 1207, the following state laws and regulations would be bypassed:

- HAR § 13-5-31(a)(8) – Shoreline certification – (considering whether the proposed action would affect public shoreline access rights).

- HAR § 13-5-31(a)(1) – Requiring a draft or final environmental assessment (EA) or Environmental Impact Statement (EIS) in accordance with HRS 343 (HEPA).

- DLNR's Conservation District Use Application – (Providing the identity and scope of 'valued cultural, historical and natural resources' in which traditional and customary native Hawaiian rights are exercised in the area, and identifying the extent to which those resources, including traditional and customary native Hawaiian rights, will be affected or impaired by the proposed action). This regulation implements the requirements of the Constitution.

"By enacting SB 1207, the state would be enacting a statute that is in direct conflict with the Hawaii State Constitution. Native Hawaiian traditional and customary rights are enshrined in the Hawaii State Constitution under Article XII, Section 7:

#### TRADITIONAL AND CUSTOMARY RIGHTS

The State reaffirms and shall protect all rights, customarily and traditionally exercised for subsistence, cultural and religious purposes and possessed by ahupua'a tenants who are descendants of native Hawaiians who inhabited the Hawaiian Islands prior to 1778, subject to the right of the State to regulate such rights.

"Numerous court cases have addressed agencies' neglect in reviewing impacts of an action on Native Hawaiian customary and traditional rights. The Hawaii Supreme Court concluded that '[t]he State and its agencies are obligated to protect the reasonable exercise of customarily and traditionally exercised rights of Hawaiians to the extent feasible.' (see Public Access Shoreline Hawai'i v. Hawai'i County Planning Commission, 79 Hawai'i at 450 n.43, 903 P.2d at 1271 n.43 [1995]).

"In Ka Pa'akai O Ka'aina v. Land Use Commission (LUC) (94 Hawai'i 31, 7 P.3d 1068 [2000]), the Court, while discussing the Constitutional and statutory obligations of the LUC, prescribed a three-prong analytical framework to 'effectuate the State's obligation to protect native Hawaiian customary and traditional practices while reasonably accommodating competing private interests....' Ka Pa'akai O Ka'aina, *supra*, at 1083-84. Presumably, this three-prong analysis would apply to all state agencies and actions, regardless of their supposed exemptions. The state agency must – at a minimum – make specific findings and conclusions regarding:

- 1)The identity and scope of 'valued cultural, historical, or natural resources' in the petition area, including the extent to which traditional and customary native Hawaiian rights are exercised in the petition area;
- 2)The extent to which those resources – including traditional and customary native Hawaiian rights – will be affected or impaired by the proposed action; and
- 3)The feasible action, if any, to be taken by the [agency] to reasonably protect native Hawaiian rights if they are found to exist.' (Id. at 1084).

"If SB 1207 is enacted, the DOT will not be statutorily required to make findings and conclusions based on the court-mandated three-prong analysis, as they normally would under the conservation district permit process. By exempting the DOT from the conservation district permit requirements, SB 1207 would be in direct conflict with Constitutional safeguards that protect native Hawaiian traditional and customary rights.

"As Legislators, we take an oath to uphold the Constitution of the State of Hawaii. Therefore, we cannot pass laws that would exempt development projects from assessing impacts on native Hawaiian traditional and customary practices – assessments that are mandated by the Constitution of the State of Hawaii."

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

"Thank you, Mr. Speaker. In opposition, and in the interest of the hour I will submit comments in writing, if that's alright. I just want to echo the

comments of the previous speaker. It does seem every year we have multiple requests from one agency, a special funded agency that has very little oversight as a result, Department of Transportation. This is just one more example where they do not want to be regulated. This has been an ongoing problem. It's been such a problem that the Environmental Protection Agency has had to sue the Department of Transportation to get them to comply. So, Members, please take a look at this and I encourage you to vote no. *Mahalo*."

Representative Wooley's written remarks are as follows:

"The Department of Transportation, DOT, is the agency that can't stop crying wolf, every single year, no matter who is in charge or what fiscal or physical challenges lay ahead for the people of Hawaii. After a decade of the same refrain, I believe it is the legislature's obligation to stop believing this agency every time they cry 'WOLF!'

"First, let me emphasize the DOT tragedy for all of us: the Department of Transportation is a special fund -- ONE very big special fund, essentially. No general funds are involved in the state DOT. That means the legislature has almost no impact, no ability to balance this Executive Branch agency, headed by the governor-who-happens-to-be, in contrast to all other agencies.

"Each governor, in our three-branch system, relies heavily on the staff and agency leaders to set state government priorities, each and every year. For each governor since I can remember, the state Department of Transportation identified environmental exemptions and costs as the top priority or challenge. And every year at the legislature, we hear the cries of this agency, claiming we are on the brink of disaster because of burdensome regulation.

"The truth is the only burden DOT faces is of its own creation -- the bureaucracy and theatrics of a philosophy that died everywhere else but here. Making an effort to try to identify risks and impacts on Hawaii's environmental resources, our precious coastal areas, for example, is not an option to be waived. Rather, it is part of the process when making big changes in a sensitive environment. It doesn't mean projects don't move forward. It doesn't cause delay and it doesn't prohibit appropriate exemptions. It means projects move forward in special places only after certain precautions and notifications have been made.

"DOT can do what needs to be done without this bill, and they can do it the right way without any additional cost to the taxpayer, or delay. In fact, it will cost all of us less, a lot less, in the long run.

"Instead of following procedures set up to protect sensitive coastal areas, DOT wants special treatment, privacy, and new exemptions so it doesn't need to bother with any environmental or procedural requirements. As usual, DOT has asked for less oversight and more exemptions, meaning more power to spend their dollars, or rather, our dollars, on transportation contracts and projects, of their unchecked choice.

"After all their failures, policymakers should be ashamed of themselves for listening to this agency once again, asking for exemptions. Each time they argue it's going to save time, but the truth is, it will take us more time. If this bill becomes law, I bet it will be litigated. If not litigated, actions will be taken that will be later regretted and taxpayers will end up paying more and getting less.

"If there is anyone who is a fan of Lowell Kalapa, then they should know this agency is a set up for wasted taxpayer dollars, lack of accountability, and inevitable corruption.

"That is not to say special funds are not necessary or useful in modern-day democracies, but as policymakers, we must always remember special funds are potentially problematic and must be kept in check to detect impropriety.

"In summary, let me shift from negativity, to the positive. 'It can't be done, unless A & B & C' is a refrain I have heard from one agency, over and over again, and it reflects a culture of negativity that is stuck in the past. What agency would you think of that might say just 'It can't be done,

unless A & B & C?' None other than the state Department of Transportation, looking for an exemption. This can change and we, the state legislature, need to come back and address this problem before we have another fiscal or environmental disaster."

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

"Mr. Speaker, in opposition. I had a Floor Amendment prepared earlier today but unfortunately the Senate couldn't get concurrence on their side to move it forward so I didn't bring it because I didn't necessarily want the bill to die. I just wanted to better reflect DOT's expressed intent. They indicated in their testimony that they wanted to be more narrowly focused on existing harbors, yet this bill has no mention of the word 'existing,' it just says on submerged lands of commercial harbors.

"Also, the Legislature needs to be very careful about exemptions that are too broad, especially now after we repealed the PLDC. I think we need to stay above board at least, or give out the perception especially that we are. It is possible to accomplish the purpose of this bill with a much more specific exemption. So, maybe next year we can revisit the language and tighten it up a bit through the interim. *Mahalo*."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1207, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 38 ayes to 13 noes, with Representatives Carroll, Cheape, Fukumoto, Ing, Johanson, Lee, Lowen, Morikawa, Oshiro, Rhoads, Thielen, Ward and Wooley voting no.

At 6:28 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 1207, HD 2, CD 1

**Conf. Com. Rep. No. 39 and S.B. No. 1214, SD 1, HD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that S.B. No. 1214, SD 1, HD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Thank you, Mr. Speaker. In support with reservations. I've been so confused with all the information going on about this thing I don't know what to make of this measure right now, so I think that's the best vote I can make under the circumstances. Thank you very much."

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

"Mr. Speaker, I rise in opposition on this measure. This seems to be a turf battle between towing companies and the boot guy. There's got to be a better way than to put these guys out of business.

"I read the bill, I read the language. If someone's parked in my driveway, my driveway, and I wanted to put a boot on that vehicle, and they're not supposed to be there, I can't do it. There's got to be a better way for private landowners who have a parking lot and want to penalize people who are not supposed to be there, maybe some more regulation. I mean, this is what gives Hawaii a bad name when it comes to overregulation.

"We're going to put 13 families out of business, 13 Palolo boys out of business, Mr. Speaker. The kids who do this work remind me a lot of my sons. Young, in their 20's, got a lot of brawn, and they're trying to do the best they can to make it through life.

"I've had my car towed, I've never had my car booted. It's no fun, these guys, neither of these groups are popular with our constituents. Tow guys aren't popular, the boot guys aren't popular. There's got to be a better way to find a middle ground. There's got to be a better way. If there are abuses taking place, it seems to me that we're rather sloppy in addressing that, and

just saying well, throw the baby out with the bathwater. There's got to be a better way, and I don't think we found that better way in this measure.

"We're going to put people out of work today, and I feel bad about that. We're going to put people out of work today. Yeah, it's unpopular what they do. Other things are unpopular as well. But we're going to put them out of work, and I don't feel good about that.

"If there are abuses, we should have in the last week or so figured out some sort of regulatory framework to address that. It's not that hard, I could come up with one in an hour in my office, trust me. But we didn't, we just said, we're going to put you out of business.

"But we did make it available to the counties, if they want to go around and if the county decides to boot people. If you've ever been on the Discovery Channel, they've got the show 'Philadelphia Cops' or whatever, they drive around looking for people who have, just checking them out, if they have expired tickets, they boot them. Now we're going to open the door to that for the counties to raise money, but we're going to put the private guy out of business. Those families who are depending on paychecks to survive, we're going to take their livelihood away. I don't feel good about that at all. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition. The words of the Representative from Ewa are right on. We're just going to take away the livelihood of 13 guys right here, tonight. Just take it away without working with them, without talking, discussing what can we do. These guys put food on the table and pay their rent with this job. I can't believe it, tonight we're just going to take it away from them, if this measure passes.

"These are guys who are struggling to make a living, just like everybody else. They're just trying to get by. And with the swoop of the Legislature's hand, we're going to take away the way they make a living. Maybe unpopular, maybe we don't like it, should we do that?"

"Mr. Speaker, I think there should be at least more discussion before we're going to take away the means that these guys are putting food on their families' table, Mr. Speaker. I think this is a very bad way to go about doing this and I think there's definitely a better way to do it."

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

"Mr. Speaker, in opposition with a couple of brief comments. Nobody likes tax collectors, but we don't outlaw tax collecting, somebody's got to do it. I don't think anybody really likes to get their car towed, they don't like booters, they don't like towers, but it's got to be done. What we've done, instead of regulating the industry, we've chopped it off at its knees. We basically said, you can't do it.

"Let me back up a little bit. We didn't ban it, we just said if you do it, we're going to charge you \$100. If you read the bill it says, anybody who does this, and they shouldn't do it, but if they do it, we're going to charge you \$100.

"From my reading of this bill and a little bit of research, booting can go from \$75, \$200, \$300, so in a way the unintended consequences, and I spoke fondly of entrepreneurship earlier, there may be an entrepreneurial few out there, that the price of booting may just go up, and they pay the \$100 and they still make money on it. So we may be punishing our constituents by raising the cost of booting.

"At the same time, I know there's a substantial amount of income that the University of Hawaii gains by booting, and you know this Body and the Senate is not very fond of giving the University a lot of money, particularly at this particular juncture. But if we take this bill and pass it, they can't do booting anymore, and then they're going to come to us and ask for more money.

"So my point, Mr. Speaker, is that we've taken this and said one big broad brushstroke does it all, we'll just ban it, and it'll all take care of itself. I think there's going to be a lot of unintended consequences. I would say,

not prophetically, but I know for sure, this thing is going to be on the Floor next year. It's going to be refined, it's going to be where all the horror stories about so and so and whatever happened, because I don't think it's going to go away.

"This is a technology, this is a way of what otherwise driveways and other people had never had the chance to really get parking enforced, and on a small island with over a million cars, this is going to continue to be a problem. So, Mr. Speaker, this is not a good way of approaching solid policy. Thank you."

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and S.B. No. 1214, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO TRANSPORTATION," passed Final Reading by a vote of 39 ayes to 12 noes, with Representatives Belatti, Cheape, Choy, Evans, Fale, Hanohano, Johanson, Jordan, McDermott, Thielen, Ward and Wooley voting no.

At 6:37 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 1214, SD 1, HD 2, CD 1

**Conf. Com. Rep. No. 76 and S.B. No. 535, SD 1, HD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 535, SD 1, HD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO LABOR," passed Final Reading by a vote of 45 ayes to 6 noes, with Representatives Fale, Fukumoto, Har, Ito, Jordan and McDermott voting no.

At 6:38 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 535, SD 1, HD 2, CD 1

**Conf. Com. Rep. No. 130 and S.B. No. 946, SD 1, HD 1, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and S.B. No. 946, SD 1, HD 1, CD 1, entitled: "A BILL FOR AN ACT RELATING TO RESOLVING THE UNFUNDED LIABILITIES OF THE STATE AND THE COUNTIES," passed Final Reading by a vote of 27 ayes to 24 noes, with Representatives Aquino, Carroll, Cheape, Choy, Cullen, Fale, Fukumoto, Har, Ichiyama, Ito, Johanson, Jordan, Kawakami, Lowen, Morikawa, Say, Takayama, Thielen, Tokioka, Tsuji, Ward, Wooley, Yamane and Yamashita voting no.

At 6:40 o'clock p.m., the Chair noted that the following bill passed Final Reading:

S.B. No. 946, SD 1, HD 1, CD 1

**Conf. Com. Rep. No. 144 and H.B. No. 546, HD 2, SD 2, CD 1:**

On motion by Representative Saiki, seconded by Representative Awana and carried, the report of the Committee was adopted and H.B. No. 546, HD 2, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO THE HAWAII EMPLOYER-UNION HEALTH BENEFITS TRUST FUND," passed Final Reading by a vote of 51 ayes.

At 6:41 o'clock p.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 546, HD 2, SD 2, CD 1

**Conf. Com. Rep. No. 180 and H.B. No. 726, HD 1, SD 2, CD 1:**

Representative Saiki moved that the report of the Committee be adopted, and that H.B. No. 726, HD 1, SD 2, CD 1 pass Final Reading, seconded by Representative Awana.

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

"Mr. Speaker, in strong support. Mr. Speaker, I earlier said that we have the possibility of becoming the space exploration center of the world on the Big Island. This equally is so for the movie industry. We have an environment second to none, and with these incentives, the ratcheting up of the cap and the amount of offsetting of the cost of doing movies here, I think we are very competitive.

"This is an excellent bill, and it has the potential of being a world leader. From that I know that there are those who have a little bit of reservation on tax credits, but this is basically priming the pump to, again, to diversify, to get us away just from tourism, and get onto other high paying, other non-visitor industry businesses. Thank you, Mr. Speaker."

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

"Mr. Speaker, in opposition. I wanted to be clear, Mr. Speaker. As you know, and many Members of this Body, I've always supported the film industry. I understand the multiplier effect. If you do the research and you look at all the data, the fact is that the film studios go where the tax credits are.

"So when we first enacted, promulgated Act 88, I was always in support of that tax credit. 15% on Oahu, 20% on the neighbor islands. My concern now is this is a major policy shift. We are in fact increasing that film tax credit, 5% on Oahu and 5% on the neighbor islands. What does that mean to our General Fund? Every time we give a tax credit, that is revenue lost. That is a subsidy that we are giving to a corporation, to these film studios.

"For me personally, Mr. Speaker, in the wake of the other pressing issues, particularly early education initiatives, the School Readiness Program, I already mentioned the fact that only \$6 million was appropriated. I still believe that \$8.2 million should have been appropriated, that would have done the right thing for that group that now will no longer have junior kindergarten because of this Legislature phasing out junior kindergarten. So I still believe strongly that this is a corporate subsidy, and when you temper that against the other pressing needs in our state, I must respectfully vote no on this bill. Thank you."

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

"Thank you, Mr. Speaker. In opposition. I too, as the previous speaker, have grave concerns on raising these percentages and extending the time period. When we are here, we are just barely creeping out of serious debt, and here we are giving away more credits on the backs of taxpayers, and I don't think that's wise to do.

"The numbers that were provided to us would be about \$17 million a year. I don't think that's accurate. In the original testimony, it went up to almost \$50 million a year. So when I have that disparity between \$17 and \$50 million a year, I have grave concerns. We just voted out a measure earlier today to allow an extension for our contributions and itemized deductions for individuals. That's going to cost us \$12 million every year. Now we're allowing anywhere between \$15 and another \$50 million.

"We're not able to compete with those other states that go all the way up to a 40% credit. We should stop kidding ourselves. If this previous credit didn't work at 15%, why give them another 5% bonus. That's why I'm voting in opposition, Mr. Speaker. Thank you."

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

"Thank you very much, Mr. Speaker. With reservations. I was debating whether to vote no or with reservations, and I'm voting with reservations



because this measure does have a sunset, so I'll give it a shot, see what happens.

"My concern is that I remember nine years ago when I was a new legislator in this body, Act 88 was proposed, and the film industry came to us and said 15% and 20%, that's all we'll ever need. That's all we'll ever need, no more. Now they're coming for 5% and 5%.

"Mr. Speaker, over the past year and a half, I sat on a national committee to look at best practices for economic development. There were states that were headed by majority leader from Kansas. New York was there, California was there, Washington, Idaho and many other states, and we were talking about what were the best practices for economic development. The conversation kind of went where, how do we stop competing against each other. In the end, in other states it is manufacturing, they compete, they give manufacturing companies incentives to come to their state, and I said, well we don't have that in Hawaii.

"So the only thing I could talk to them about was the film credit, because that's what we all have in common. We were all kind of talking about how were competing against each other and just going to the highest bidder. In the end, it's only the industry that is the winner. So I just caution this body, and again I'm supporting this because there is a sunset, that at the end of the sunset, they don't come to us again and ask us for another 5% and 5% or something else. Thank you."

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

"Mr. Speaker, in support with reservations. In the Conference Committee Report, it says that they're requiring the Department of Business and Economic Development and Tourism to submit an annual report to the Legislature with a cost benefit analysis of the motion picture, digital media and film production income tax credit.

"I think as long as, if these numbers come back and we're actually netting on the positive side, like we do with the Pro Bowl, then I think it's something worthwhile. As long as it makes economic sense, and if we just emphasize making our policy based on good reports like this one, I think it's something worthy of pursuit and if it doesn't, then we should let it sunset."

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

"Thank you very much, Mr. Speaker. In support. Thank you. When it comes to tax credits and giving out the funding as far as the Legislature of the state is concerned, there is always a degree of apprehension. But this 5% and 5% increase in tax credits from 15% to 20%, from 20% to 25%, they are restrictive covenants, they are protected covenants.

"There is a maximum that you can claim, the aggregate is \$15 million. There's also an additional protective covenant. The expiration date has been reduced by four years to make sure that we can review our financial status here, and if we are doing this in an economically fiscal manner.

"The beneficiaries have a great responsibility, along with the Department of Economic and Business Development. The responsibility is the reporting procedure that must be provided to DBEDT. It can be extensive, yes, but the bottom line of this reporting system means whether they qualify for the tax credit through the Department of Taxation. Also, the benefits that they have received and they have reaped from our state, the report will come to the Legislative Body.

"Yes, infrastructure creation is very, very expensive, and sometimes we don't have the return for our investment. But remember, Hawaii is not different, Mr. Speaker, Hawaii is unique and we have a majority of the infrastructure, our natural resources, that the State of Hawaii can offer that the rest of the world cannot offer. Yet we are competing with the rest of the states in this very lucrative media of economic viability. Thank you very much."

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

"Mr. Speaker, I stand in strong support, and just a few brief comments. I'd like to offer a little different perspective. I actually graduated from the film school at the University of Hawaii, the Academy for Creative Media, so I was able to have a different insight on what these tax credits could bring to the people here in Hawaii.

"The creation of jobs is so important. Often it's not just the set design, or the camera crew, or the grips, or the extras which you normally think about, but when these films come in, they stay in hotels, there are truck drivers, and they go to local restaurants.

"This does not only just benefit the film industry, it benefits all of Hawaii. I just wanted to give a little different insight to what this tax credit could do for our state. Thank you, Mr. Speaker."

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

"Thank you very much, Mr. Speaker. In support. I would like the words of the Chair of Economic Development entered into the record as if they were my own, and just a brief few couple of comments here. Thank you very much.

"The Chair of Economic Development really hit the nail on the head, but here's the other thing too to remember, when film productions come to town, when they pencil out a project, they have to spend every single penny, Mr. Speaker. It's not like other companies who come here, say we'll invest a little, see how it goes, see how the environment is and we'll pull back. We commit to a picture here in Hawaii, we have to do the entire spend here.

"Case in point, real life, there was a production here in town. They were coming up the end of their budget, they had to spend. So they went out to every small business in the area and bought up all the fast food that was available to basically be able to feed the cast and crew and extras, all of them were locals, because they knew they had to spend the money, and they also knew that they had to feed people in production lines.

"So, this cuts across the economic sectors, trucking companies, hotels. Visitor industry is our cash cow, right? They bring in all of these people who stay in the hotels, pay TAT and GET to help support our economy and grow it. Plus, the free publicity that we get from the films when they show all over the world and on DVD and then are re-streamed over the Internet. I mean, how many millions is this Body putting towards marketing for the visitor industry, and this is free additional marketing.

"Now I'm not saying that these guys are great. I'll tell you, I mean you want to take a shower after you hang out with these guys, that's not the point. The point isn't that this is a great group of people or great corporate welfare. The point is, is this creating jobs for our economy? Is this giving our local people a chance to stay in Hawaii? We have got these great creative academies and films schools and others and right now the only realistic option in the future is to go to the mainland or elsewhere.

"So there's a lot of problems, I'm not trying to sit here and say, hey you know what, we want to embrace the corporate entities that are making the pictures. I'm just asking everybody to keep in mind the economic impact, the support of our visitor industry, the free marketing, and there's more that could be done to contribute to our communities by the industry, and I recognize that. So this is a step forward, and I appreciate the work that the Chair of Economic Development has done on this issue, because it is controversial. So, thank you very much."

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

"Just a few words in opposition. I have a very, very hard time supporting a credit for people who fly to Hawaii in private jets. Thank you."

Representative Ward rose to respond, stating:

"That's a hard comment to follow because I know some who actually do business class or even cattle class. Maybe he's met a higher level of movie stars than I've met with.

"Many of those that I've spoken with, and it's a bit of a rebuttal, basically the 20%, 25% that we're giving them is what the extra costs are for what they're doing here. So it's basically an attraction to get them here because, let's face it, the cost of living here is 20% sometimes 35% more expensive.

"To say, as the Representative from Kapolei said, that they just follow the tax credit. I don't think North Korea, if they offered a tax credit, they'd be doing much business, or Chechnya, or other places. There's a lot more involved, and they're a little more sophisticated than I think even the speaker from Maui had indicated what you'd have to do after you spoke with them.

"The bottom line is it's not about tax credits. It's about diversifying the economy. It's about getting out of this tourism rut, which is good, but we've got to diversify. We've got all of our eggs in one basket, Mr. Speaker, and that's why I push aerospace, that's why I push HI Growth Initiative, that's the way to entrepreneurship. This is an example to diversify our economy, and as we know the young lady here, has a film degree of which now we have at the University, and who knows what in the future we could be actually producing here.

"The point is, we have a nascent, growing, small industry now. We need to give it enough incentives, so if it grows, and as indicated we have a sunset. If the metrics don't pan out, cut the baby off. But let's give it a try, and that's what I would please to my colleagues, let's give it a try. Nobody is going to deny that Hawaii 5-0 and Lost didn't bring benefits to this place, didn't bring jobs to this place, didn't bring money to this place. This is how Hawaii, the most coveted place in the world, lives in the hearts of people all over the world, because of the movie industry. We have the chance to become a world capitol if this thing works out.

"So let's try it, let's be entrepreneurial, let's think outside of the box, just don't think it's tax credits, think that this is going to part of the future of Hawaii. Thank you."

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

"Thank you, Mr. Speaker. I rise in support of this measure. Thank you. First, I'd like the words of the Chair of Economic Development and also the Chair of CPC entered into the Journal as if they were my own. Thank you.

"I think that people need to realize that Hawaii, our state, is the envy of the world. There are so many people out there that have never set foot on our shores but know so much about us. I'll give you two cases in point.

"The first one is, I had an opportunity to deploy to the Middle East in Kuwait, and you know, people know about Hawaii. People so far away, in fact, half a world away from our shores, know intimately about Hawaii.

"I also had an opportunity the last couple of years to go during the summer to Garuda Shield, an exercise in Indonesia. One particular summer, I spoke to the pool attendant who actually knew English pretty well. I asked him how he learned his English, and he said he watches TV, American TV. In fact, he found out that we're from Hawaii, and he knew so much about Hawaii, because of what? Because of what he saw on TV.

"I don't think we can pay for the type of advertising and impressions that we get by supporting this tax credit. I know tax credits are, we've got to be careful as to how we allocate our funding, but I can tell you based on personal experiences, and also knowing the industry from discussions with many people, that we get our money's worth.

"Like I said at the very beginning, Mr. Speaker, we are the envy of the world and we need to keep this up. We are still a tourism-based industry, and the amount of people that come here matter. Because as they come not only to put on film productions and the like, but also to come to visit us, they come for reasons that in some cases, or in many cases, are influenced by what they see on TV and the big screen. Thank you, Mr. Speaker."

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

"Thank you, Mr. Speaker. In opposition. I agree with many of the previous speakers. I love film, I love the film industry, I think it's great for Hawaii. The diversification of our industry is critical. We are the envy of the world in so many ways, and film really does help us in the tourist industry as well for that reason.

"But the movies are already here. The film industry is here. The tax credit that we have now is already pretty good and they're already getting a good deal, and they're coming. They're not turning away. But they are asking for more.

"The reason I am opposing this bill is, I think that at this time, this is corporate welfare. We are handing our money over to people who can fly in on private jets. In exchange, they are not investing in our youth, we did not require additional requirements that they invest in our community.

"I appreciate that it may be difficult for people to say no when people from Hollywood come and they ask you. But I think that we need to remember when our kids, our health benefits, our safety net, all of those things have been at risk due to the recession, and suddenly we're opening our doors and handing our money out, more money to the movie industry. So again, I have a lot of *aloha* for the film and movie industry, but this is not the right time to be giving them more. *Mahalo*."

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

"Thank you, Mr. Speaker. Standing in support with some comments. I know this is a long night. Mr. Speaker, first of all, I would like the words of the Economic Development Chair added in as my own, just at a little higher pitch and with less finger pointing.

"Mr. Speaker, on a serious note, the reason why I'm standing up on this measure and supporting this is, I've had numerous discussions with the film industry. I understand there have been some characterizations, that they want to come here to Hawaii and take advantage of our beautiful scenery, take advantage of what's special to Hawaii, use it to advertise and then move on.

"But, Mr. Speaker, I've seen a different side. As I talk with several of the industries, they want to invest and look at growing our technology infrastructure. They want to invest in our youth to have access to jobs that they wouldn't get otherwise available in Hawaii. Mr. Speaker, we've talked hours on being able to increase the pool of professional workers that both entertainment and industry companies could draw on, which then would allow Hawaii to actually diversify in other types of entertainment industries, Mr. Speaker.

"I've talked with companies who not just want to come here on a part-time basis based on a movie or a contract. That they actually want to come here and find ways to partner with the State of Hawaii, to grow the industry, to do not only movies and, let's say, Hawaii 5-0, but actually have them come and talk to us about working with our youth in the high schools, to do miniseries. To do things what they called miniseries on the Internet, where, during the middle of a series like Hawaii 5-0, fans can go, during that period of time, and watch little segments that people put together to keep people working, keep the industry moving forward, and keeping Hawaii and it's special place in the forefront.

"Mr. Speaker, I've also talked to Members about the clashes of the past in which big business would come here and seem to try to overrun and take advantage. There is no way we can protect against that from happening. However, Mr. Speaker, we have people who fly in jets, land on this island and the neighbor islands, and drive to their homes that they own and visit once a week for every year. I think we're not going to stop that.

"However, Mr. Speaker, as we look at investing in our future, knowing our economy is limited to primarily the military and tourism, maybe for the impetus for future growth, is maybe we need to have them be more invested here as well, help them grow. Help them advertise and spread throughout the world what's special to Hawaii, which is our *aloha*, as well as teach them what makes us different, so that more people keep coming. Thank you, Mr. Speaker."

Representative Yamashita rose to respond, stating:

"Thank you very much, Mr. Speaker. I just want to make it very clear that I do support the film industry and I do support, I agree with many of the speakers that spoke in support. My concern is that the 5% and 5% increase, as previously stated, is also given to existing productions here in this state, and then we'd have to make up the difference in that, so there is a cost there.

"Then also, Mr. Speaker, I remember and I kind of saw this show before, right? You just change the topic a little bit. I remember when we first got in we had these same conversations about 221 and how we were going to build a great tech industry with this. The 221 credit cost the state about \$1 billion, and as soon as the economy dipped, they were gone. A few of them stayed, the ones that could stay, the ones that didn't need the credit stayed.

"So my concern is that, how much is enough? Is 5% enough, or will they come back to us and say, 'we thought 5% was going to work, but on second thought, it's 10%. That will work.' That's my concern. Thank you."

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

"Thank you, Mr. Speaker. I'm going to be rising in opposition to this measure. First of all, I ask for permission to submit written comments. Thank you very much. Also, that the remarks of the Representative from District 48 be recorded in the record as my own. I think she did a very good job, eloquent job, summarizing some of the key points and troubles that many of us have with this bill.

"First of all, yeah, like the previous speaker articulated quite well, none of the existing industries have come forward and asked for this, but they'll be beneficiaries of the additional 5%. That's a lot of money we're talking about there, 25% increase of the current tax credit. That's a substantial amount of money.

"But let's talk about what kind of money we're talking about. Okay, I'll give an example. Fiscal Year '14, \$20.8 million. Just about \$21 million is going to go out to these companies. I think many of them are businesses, and I think many of them are for-profit corporations. Fiscal Year '15, \$20.8 million. Fiscal Year '16, it goes up to \$33 million. \$33 million. Then Fiscal Year '17, \$45.2 million. Fiscal Year '18, \$45.2 million. Fiscal Year '19, \$45.2 million.

"Those are consequences of this measure going forward. I think everyone needs to realize and ask themselves this question. Did the Administration come in and ask for this measure? They did not. The Governor and the DBEDT Director have said, let's extend the film tax credit, Act 88, beyond the current sunset date of 2016. Did they ask for an increase? No. Not 5%, not for the neighbor islands, not for Oahu, none of that. So it's really not part of their financial plan, it's nothing that they asked for.

"Equally important regarding jobs, regarding diversification, is the fact that the current industry leaders, the unions, representing the men and women in this industry, those who are at the schools, creating the graphic artists, the creative artists, the grips, the talent pool for this industry, did not come in and ask us to make this a priority. They did not ask us to spend this amount of public money for the film industry.

"So let's just ask those questions, where did this come from? I think the Representative from Manoa hit it straight on. For a very small, elite class from out-of-state who are going to benefit from this credit. That's the trouble that we have here.

"I believe the Governor will be reviewing this bill with his Budget and Finance Director, and they will be looking at the effect upon their financial plan. But the current tax credit under Act 88, which is 10 years old, doesn't expire until 2016. So my recommendation will be to veto this measure, let's look at this thing over the interim, come back, extend the tax credit. Thank you."

Representative Oshiro's written remarks are as follows:

"Mr. Speaker, I rise to speak in opposition of House Bill No. 726, Conference Draft 1.

"This bill would:

- (1) Increase the film production tax credit from 15% to 20% for projects done on Oahu, and 20% to 25% for projects done on neighbor islands.
- (2) Increase the cap per production from \$8 million to \$15 million; and
- (3) Extend the sunset date of the film production tax credit from January 1, 2016 to January 1, 2019.

"It should be noted for the record that the Administration and the film industry did not seek an increase for the tax credit. All they had wanted was for the Legislature to make the tax credit permanent in statute. Only a select few producers requested the increase without obtaining agreement with peer organizations, the Screen Actors' Guild, nor the Teamsters, which represent most of the production crews working in our state.

"I have serious concerns on the fiscal ramifications of this bill. According to the Department of Taxation, the estimated revenue loss from this bill will be as follows:

FY14	\$20.8 million
FY15	\$20.8 million
FY16	\$33.0 million
FY17	\$45.2 million
FY18	\$45.2 million
FY19	\$45.2 million

"I am especially concerned about how the revenue loss is anticipated to more than double for Fiscal Year '17 and beyond, creating a situation not unlike that experienced with the renewable energy tax credit which this Body could not agree to fix this year. A repeat performance of the Act 221 debacle comes to mind as clever accountants and cagy lawyers do their best for their clients at the public's expense. The loss of revenue places greater pressure on the state's ability to continue to fund essential programs and services. Should the economy take another downturn in the near future, we will undoubtedly face the harsh reality of having to eliminate programs and services to the detriment of the health, welfare and safety of our citizenry.

"Finally, given that it was not ever a part of the Governor's financial plan, it should be returned to the legislature. The existing film credit can be addressed next year without the additional unnecessary and wasteful give-away of Hawaii's tax dollars to those who do not need it or deserve it.

"Thank you."

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

Representative Awana's written remarks are as follows:

"Mr. Speaker, I rise in support. As the saying goes, 'A picture is worth a thousand words.' This bill speaks of millions of pictures through the film and digital media industry. I have no doubt in my mind that this industry has directly impacted our number one industry - that is tourism. The rapid increase is in part to the television programs and movies in which Hawaii is either featured or is the backdrop. The income tax credit will indeed play a pivotal role which makes the difference between filming in our island state or at an alternative location.

"The fact remains that there are thousands of other islands and warm weather destinations elsewhere. An increase in revenue through the film and digital media industry spending and additional tax dollars through tourism spending whether it be through airline and ship arrivals, as well as nights spent in hotel rooms. This duplicating factor takes place through the creation of direct and indirect job opportunities for residents. For these reasons, I stand in support of this measure. Thank you, Mr. Speaker."

Representative Har rose in opposition to the measure and asked that the remarks of Representatives Oshiro, Yamashita and Choy be entered into the Journal as her own, and the Chair "so ordered." (By reference only.)

At this time, Representative Saiki called for the previous question.

The motion was put to vote by the Chair and carried, and the report of the Committee was adopted and H.B. No. 726, HD 1, SD 2, CD 1, entitled: "A BILL FOR AN ACT RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT," passed Final Reading by a vote of 45 ayes to 6 noes, with Representatives Choy, Coffman, Har, Jordan, Oshiro and Wooley voting no.

At 7:10 o'clock p.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 726, HD 1, SD 2, CD 1

At 7:10 o'clock p.m., Representative Saiki requested a recess and the Chair declared a recess subject to the call of the Chair.

The House of Representatives reconvened at 7:13 o'clock p.m.

### SUPPLEMENTAL CALENDAR #1

#### REPORTS OF STANDING COMMITTEES

At this time, the Chair stated:

"Members, we are on the Supplemental Calendar. Members, we're going to defer for one legislative day Supplemental Calendar Number One. Thank you, Members."

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1767) recommending that S.C.R. No. 20 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1768) recommending that S.C.R. No. 22 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1769) recommending that S.C.R. No. 23, SD 1 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1770) recommending that S.C.R. No. 69 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1771) recommending that S.C.R. No. 101 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1772) recommending that S.C.R. No. 103 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1773) recommending that S.C.R. No. 105 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1774) recommending that S.C.R. No. 106 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1775) recommending that S.C.R. No. 126 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1776) recommending that S.C.R. No. 164 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1777) recommending that S.C.R. No. 137, SD 1 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1778) recommending that S.C.R. No. 155, SD 1 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1779) recommending that S.C.R. No. 76 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1780) recommending that S.C.R. No. 96 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1781) recommending that S.C.R. No. 97 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1782) recommending that S.C.R. No. 190 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1783) recommending that S.C.R. No. 92, SD 2 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1784) recommending that S.C.R. No. 169 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1785) recommending that S.C.R. No. 195 be adopted.

By unanimous consent, action was deferred one legislative day.

Representative Luke, for the Committee on Finance, presented a report (Stand. Com. Rep. No. 1786) recommending that S.C.R. No. 37, SD 1 be adopted.

By unanimous consent, action was deferred one legislative day.

#### SUSPENSION OF RULES

On motion by Representative Saiki, seconded by Representative Awana and carried, the rules were suspended for the purpose of reconsidering action previously taken in disagreeing to amendments made by the Senate to a certain House Bill.

#### RECONSIDERATION OF ACTION TAKEN

Representative Saiki moved that the House reconsider its action previously taken in disagreeing to the amendments made by the Senate, and give notice of intent to agree to such amendments for the following House Bill, seconded by Representative Awana and carried:

H.B. No. 841, HD 1, (SD 1)

#### DISPOSITION OF MATTERS PLACED ON THE CLERK'S DESK

Representative Saiki moved to agree to the amendments made by the Senate to the following House Concurrent Resolutions, seconded by Representative Awana and carried:

H.C.R. No. 96, HD 2, (SD 1)  
H.C.R. No. 99, HD 1, (SD 1)  
H.C.R. No. 129, HD 2, (SD 1)

#### H.C.R. No. 96, HD 2, SD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.C.R. No. 96, HD 2, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE UNITED STATES DEPARTMENT OF THE INTERIOR FISH AND WILDLIFE SERVICE TO WORK WITH AFFECTED PERSONS AND COUNTIES IN ESTABLISHING REASONABLE CRITICAL HABITAT DESIGNATIONS FOR ENDANGERED SPECIES IN THE STATE," was Adopted.

#### H.C.R. No. 99, HD 1, SD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.C.R. No. 99, HD 1, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION URGING THE GOVERNOR TO ADD A MEMBER TO THE HAWAII REFINERY TASK FORCE AND TO REQUEST THE TASK FORCE TO EXAMINE ADDITIONAL ISSUES," was Adopted.

#### H.C.R. No. 129, HD 2, SD 1:

On motion by Representative Saiki, seconded by Representative Awana and carried, H.C.R. No. 129, HD 2, SD 1, entitled: "HOUSE CONCURRENT RESOLUTION REQUESTING THE DIRECTOR OF HEALTH TO DEVELOP PARTNERSHIPS TO ADDRESS THE DATA GAP ON AIR, SURFACE WATER, AND NEAR SHORE EFFECTS OF ATRAZINE," was Adopted.

#### ANNOUNCEMENTS

Representative Luke: "Thank you, Mr. Speaker. I just wanted to alert all the Members that HGEA Unit 13 has rejected the settlement proposal, so we will be recommitting that bill on Thursday. Thank you."

#### ADJOURNMENT

At 7:16 o'clock p.m., on motion by Representative Awana, seconded by Representative Fukumoto and carried, the House of Representatives adjourned until 10:00 o'clock a.m., Thursday, May 2, 2013.

#### HOUSE COMMUNICATIONS

House Communication dated April 30, 2013, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has reconsidered its action taken in disagreeing to the amendments made by the Senate on April 11, 2013, and gives notice of intent to agree to the following House Bill:

H.B. No. 841, HD 1, SD 1

House Communication dated April 30, 2013, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has this day agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 17, HD 1, SD 2  
H.B. No. 514, HD 2, SD 1  
H.B. No. 529, HD 1, SD 2  
H.B. No. 791, HD 1, SD 1  
H.B. No. 800, HD 1, SD 2  
H.B. No. 847, HD 2, SD 1  
H.B. No. 879, HD 2, SD 1  
H.B. No. 880, HD 2, SD 2  
H.B. No. 1328, HD 1, SD 1  
H.B. No. 1388, HD 1, SD 1  
H.B. No. 1412, SD 2

House Communication dated April 30, 2013, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has this day passed the following bills on Final Reading:

H.B. No. 21, HD 2, SD 2, CD 1  
H.B. No. 25, HD 2, SD 2, CD 1  
H.B. No. 31, HD 1, SD 1, CD 1  
H.B. No. 32, SD 1, CD 1  
H.B. No. 51, SD 1, CD 1  
H.B. No. 62, HD 2, SD 2, CD 1  
H.B. No. 65, HD 2, SD 2, CD 1  
H.B. No. 87, SD 2, CD 1  
H.B. No. 114, HD 3, SD 2, CD 1  
H.B. No. 120, HD 2, SD 2, CD 1  
H.B. No. 144, HD 2, SD 2, CD 1  
H.B. No. 152, HD 1, SD 2, CD 1  
H.B. No. 197, HD 2, SD 2, CD 1  
H.B. No. 200, HD 1, SD 1, CD 1  
H.B. No. 218, HD 1, SD 2, CD 1  
H.B. No. 222, HD 2, SD 2, CD 1  
H.B. No. 235, HD 1, SD 1, CD 1  
H.B. No. 266, HD 1, SD 2, CD 1  
H.B. No. 353, HD 1, SD 2, CD 1  
H.B. No. 398, HD 1, SD 2, CD 1  
H.B. No. 417, HD 2, SD 1, CD 1  
H.B. No. 423, SD 1, CD 1  
H.B. No. 424, HD 1, SD 2, CD 1  
H.B. No. 430, HD 1, SD 1, CD 1  
H.B. No. 471, HD 1, SD 1, CD 1

H.B. No. 536, HD 1, SD 2, CD 1  
 H.B. No. 546, HD 2, SD 2, CD 1  
 H.B. No. 560, HD 1, SD 1, CD 1  
 H.B. No. 587, HD 1, SD 1, CD 1  
 H.B. No. 632, HD 2, SD 2, CD 1  
 H.B. No. 635, HD 2, SD 1, CD 1  
 H.B. No. 652, SD 2, CD 1  
 H.B. No. 653, SD 1, CD 1  
 H.B. No. 656, HD 2, SD 2, CD 1  
 H.B. No. 668, HD 2, SD 2, CD 1  
 H.B. No. 672, HD 2, SD 2, CD 1  
 H.B. No. 673, HD 2, SD 2, CD 1  
 H.B. No. 697, SD 1, CD 1  
 H.B. No. 726, HD 1, SD 2, CD 1  
 H.B. No. 749, HD 2, SD 2, CD 1  
 H.B. No. 762, HD 2, SD 1, CD 1  
 H.B. No. 763, HD 1, SD 1, CD 1  
 H.B. No. 775, HD 2, SD 2, CD 1  
 H.B. No. 785, HD 1, SD 1, CD 1  
 H.B. No. 805, HD 1, SD 2, CD 1  
 H.B. No. 816, SD 1, CD 1  
 H.B. No. 820, SD 1, CD 1  
 H.B. No. 833, HD 1, SD 1, CD 1  
 H.B. No. 848, HD 2, SD 1, CD 1  
 H.B. No. 858, HD 1, SD 1, CD 1  
 H.B. No. 888, HD 2, SD 1, CD 1  
 H.B. No. 899, HD 2, SD 2, CD 1  
 H.B. No. 908, HD 2, SD 1, CD 1  
 H.B. No. 924, HD 1, SD 2, CD 1  
 H.B. No. 928, HD 1, SD 1, CD 1  
 H.B. No. 951, HD 1, SD 2, CD 1  
 H.B. No. 977, HD 2, SD 2, CD 1  
 H.B. No. 988, HD 2, SD 2, CD 1  
 H.B. No. 1068, HD 1, SD 2, CD 1  
 H.B. No. 1132, HD 1, SD 1, CD 1  
 H.B. No. 1136, HD 2, SD 1, CD 1  
 H.B. No. 1137, HD 1, SD 2, CD 1  
 H.B. No. 1147, HD 2, SD 2, CD 1  
 H.B. No. 1149, HD 3, SD 2, CD 1  
 H.B. No. 1187, SD 2, CD 1  
 H.B. No. 1203, HD 1, SD 1, CD 1  
 H.B. No. 1207, HD 1, SD 1, CD 1  
 H.B. No. 1263, HD 2, SD 2, CD 1  
 H.B. No. 1279, HD 1, SD 2, CD 1  
 H.B. No. 1287, HD 1, SD 1, CD 1  
 H.B. No. 1374, HD 1, SD 1, CD 1  
 H.B. No. 1381, HD 2, SD 2, CD 1  
 H.B. No. 1396, HD 1, SD 2, CD 1  
 H.B. No. 1405, HD 2, SD 2, CD 1  
 H.B. No. 1424, SD 2, CD 1  
 H.B. No. 1430, HD 2, SD 2, CD 1  
 S.B. No. 3, SD 1, HD 2, CD 1  
 S.B. No. 5, SD 1, HD 1, CD 1  
 S.B. No. 6, SD 1, HD 1, CD 1  
 S.B. No. 9, SD 1, HD 2, CD 1  
 S.B. No. 19, SD 1, HD 2, CD 1  
 S.B. No. 23, SD 1, HD 1, CD 1  
 S.B. No. 46, SD 2, HD 3, CD 1  
 S.B. No. 69, SD 2, HD 1, CD 1  
 S.B. No. 82, SD 1, HD 2, CD 1  
 S.B. No. 88, SD 1, HD 2, CD 1  
 S.B. No. 94, HD 2, CD 1  
 S.B. No. 102, SD 2, HD 1, CD 1  
 S.B. No. 106, SD 1, HD 1, CD 1  
 S.B. No. 192, HD 1, CD 1  
 S.B. No. 237, SD 2, HD 1, CD 1  
 S.B. No. 239, SD 1, HD 2, CD 1  
 S.B. No. 244, SD 2, HD 1, CD 1  
 S.B. No. 305, SD 1, HD 1, CD 1  
 S.B. No. 310, SD 2, HD 2, CD 1  
 S.B. No. 326, SD 1, HD 1, CD 1  
 S.B. No. 345, SD 1, HD 1, CD 1  
 S.B. No. 403, SD 2, HD 2, CD 1  
 S.B. No. 407, SD 1, HD 2, CD 1  
 S.B. No. 458, SD 1, HD 1, CD 1  
 S.B. No. 498, SD 2, HD 1, CD 1  
 S.B. No. 505, SD 2, HD 1, CD 1  
 S.B. No. 507, SD 1, HD 1, CD 1  
 S.B. No. 515, SD 2, HD 1, CD 1  
 S.B. No. 532, SD 1, HD 1, CD 1  
 S.B. No. 535, SD 1, HD 2, CD 1  
 S.B. No. 548, SD 1, HD 2, CD 1  
 S.B. No. 551, SD 2, HD 1, CD 1  
 S.B. No. 563, SD 3, HD 2, CD 1  
 S.B. No. 586, SD 1, HD 2, CD 1  
 S.B. No. 593, SD 2, HD 1, CD 1  
 S.B. No. 606, SD 2, HD 2, CD 1  
 S.B. No. 614, SD 1, HD 2, CD 1  
 S.B. No. 635, SD 1, HD 3, CD 1  
 S.B. No. 642, HD 2, CD 1  
 S.B. No. 655, SD 2, HD 2, CD 1  
 S.B. No. 680, SD 1, HD 1, CD 1  
 S.B. No. 697, HD 1, CD 1  
 S.B. No. 722, SD 2, HD 1, CD 1  
 S.B. No. 757, SD 2, HD 2, CD 1  
 S.B. No. 867, SD 2, HD 1, CD 1  
 S.B. No. 877, SD 1, HD 2, CD 1  
 S.B. No. 890, SD 1, HD 1, CD 1  
 S.B. No. 895, SD 1, HD 1, CD 1  
 S.B. No. 902, SD 1, HD 1, CD 1  
 S.B. No. 911, SD 1, HD 1, CD 1  
 S.B. No. 933, SD 1, HD 1, CD 1  
 S.B. No. 946, SD 1, HD 1, CD 1  
 S.B. No. 960, SD 1, HD 1, CD 1  
 S.B. No. 966, HD 1, CD 1  
 S.B. No. 978, HD 1, CD 1  
 S.B. No. 993, SD 2, HD 1, CD 1  
 S.B. No. 995, HD 1, CD 1  
 S.B. No. 997, SD 2, HD 2, CD 1  
 S.B. No. 1003, SD 2, HD 1, CD 1  
 S.B. No. 1025, HD 3, CD 1  
 S.B. No. 1042, SD 2, HD 1, CD 1  
 S.B. No. 1067, SD 2, HD 1, CD 1  
 S.B. No. 1068, SD 2, HD 1, CD 1  
 S.B. No. 1069, SD 2, HD 2, CD 1  
 S.B. No. 1070, SD 2, HD 1, CD 1  
 S.B. No. 1071, SD 2, HD 1, CD 1  
 S.B. No. 1073, SD 2, HD 2, CD 1  
 S.B. No. 1074, SD 2, HD 1, CD 1  
 S.B. No. 1077, SD 2, HD 2, CD 1  
 S.B. No. 1084, SD 1, HD 1, CD 1  
 S.B. No. 1087, SD 2, HD 3, CD 1  
 S.B. No. 1092, SD 1, HD 1, CD 1  
 S.B. No. 1093, SD 2, HD 2, CD 1  
 S.B. No. 1094, SD 1, HD 1, CD 1  
 S.B. No. 1118, SD 1, HD 1, CD 1  
 S.B. No. 1124, SD 1, HD 1, CD 1  
 S.B. No. 1133, SD 2, HD 2, CD 1  
 S.B. No. 1161, SD 1, HD 2, CD 1  
 S.B. No. 1176, SD 1, HD 2, CD 1  
 S.B. No. 1194, SD 2, HD 1, CD 1  
 S.B. No. 1196, SD 1, HD 1, CD 1  
 S.B. No. 1206, SD 1, HD 1, CD 1  
 S.B. No. 1207, HD 2, CD 1  
 S.B. No. 1209, SD 1, HD 1, CD 1  
 S.B. No. 1214, SD 1, HD 2, CD 1  
 S.B. No. 1221, SD 2, HD 2, CD 1  
 S.B. No. 1256, SD 1, HD 2, CD 1  
 S.B. No. 1265, SD 1, HD 1, CD 1  
 S.B. No. 1280, SD 2, HD 1, CD 1  
 S.B. No. 1336, SD 2, HD 1, CD 1  
 S.B. No. 1339, SD 1, HD 1, CD 1  
 S.B. No. 1340, SD 2, HD 2, CD 1  
 S.B. No. 1349, SD 2, HD 1, CD 1  
 S.B. No. 1360, SD 1, HD 1, CD 1  
 S.B. No. 1388, SD 2, HD 2, CD 1

House Communication dated April 30, 2013, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and Members of the Senate, informing the Senate that the House has this day agreed to the amendments made by the Senate and has this day adopted the following House Concurrent Resolutions:

H.C.R. No. 96, HD 2, SD 1  
H.C.R. No. 99, HD 1, SD 1  
H.C.R. No. 129, HD 2, SD 1