

**Conf. Com. Rep. 1-14 on S.B. No. 2901**

The purpose of this measure is to facilitate expedient compliance with federal motor carrier safety regulations by amending or deleting statutory provisions containing federal requirements that are currently addressed in the Hawaii Administrative Rules or are otherwise unnecessary.

Your Committee on Conference finds that serious financial penalties can be incurred when a state does not comply with certain federal motor carrier safety regulations. Adopting these regulations by reference in administrative rules is expedient and facilitates accuracy in compliance. When placing these regulations in the Hawaii Revised Statutes, there is a possibility for noncompliance to result when numerous legislative measures are drafted and enacted. To ensure exact compliance and avoid the possibility of a contradiction between rules and statutes, the Department recommends deleting statutes and provisions of the statutes whenever they are addressed in administrative rules or otherwise deemed unnecessary.

Your Committee on Conference has amended this measure by:

- (1) Upon the recommendation of the Department of Transportation to avoid the loss of five percent of the State's federal-aid highway funds, specifying that the exemption from the Motor Carrier Safety Law for passenger carrying vehicles with a gross vehicle weight of 10,000 pounds or less used in car or van pools applies if the vehicles are used to transport less than sixteen individuals; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2901, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2901, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamane, Rhoads, Creagan, Har and McDermott.  
Managers on the part of the House.  
(Representatives Creagan and Har were excused.)

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

**Conf. Com. Rep. 2-14 on S.B. No. 2657**

The purpose of this measure is to:

- (1) Require a contractor who installs a solar energy device to notify the private entity that installation may void the roofing warranties or guarantees;
- (2) Require a contractor that installs a solar energy device to obtain written approval from the roofing manufacturer and follow written instructions for waterproofing roof penetrations from the roof manufacturer unless the private entity forgoes the roofing warranty or guarantee; and
- (3) Require a roofing contractor that waterproofs roof penetrations related to the installation of a solar energy device to honor the roof warranty or guarantee; provided that if either the roofing contractor's guaranty or the roofing manufacturer's warranty is no longer in effect, the contractor who installs the solar energy device and waterproofs the penetrations shall apply the contractor's or lessor's standard labor and workmanship warranty.

Your Committee on Conference finds that before a solar energy device is installed, homeowners with properties under the control of a homeowners association must first obtain confirmation from the roofing contractor that the installation of a solar energy device by another contractor will not void the existing roof warranty. Since most roofing contractors will not warrant the work of another contractor, this prevents many homeowners from purchasing solar energy devices. This measure will establish procedures and disclaimers for the installation of solar energy devices that will not void roof warranties on common or limited common elements, while addressing the concerns of both roofing and solar energy device contractors.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2657, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2657, S.D. 2, H.D. 1, C.D. 1.

Representatives Lee, Kawakami, Lowen, Onishi and Thielen.  
Managers on the part of the House.  
(Representative Lowen was excused.)

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

**Conf. Com. Rep. 3-14 on S.B. No. 2134**

The purpose of this measure is to amend various sections of chapter 302A, Hawaii Revised Statutes (HRS), to comply with the requirements of the federal Individuals with Disabilities Education Act.

Your Committee on Conference finds that the United States Court of Appeals for the Ninth Circuit recently held in E.R.K. v. State of Hawaii Department of Education, 728 F.3d 982 (2013), that section 302A-1134(c), HRS, which limits public school attendance to children who are under twenty years of age, violates the federal Individuals with Disabilities Education Act by denying public education to special-needs students aged twenty to twenty-one. This measure is necessary to bring Hawaii's law into compliance with the federal Individuals with Disabilities Education Act.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2134, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2134, S.D. 1, H.D. 1, C.D. 1.

Representatives Takumi, Woodson, Ichiyama and Fale.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 4-14 on S.B. No. 2768**

The purpose of this measure is to:

- (1) Amend the compulsory education law to make kindergarten mandatory;
- (2) Develop a statewide individualized kindergarten readiness system and establish an individualized kindergarten assessment system; and
- (3) Appropriate funds to the Department of Education to develop the statewide individualized kindergarten readiness system and readiness assessment system.

Your Committee on Conference finds that Hawaii currently does not require that children attend kindergarten, although ninety-seven percent of students eligible to attend do voluntarily enroll in either public or private kindergarten classes. Those who do not attend kindergarten are typically behind their peers in their academic and social development. This measure will enhance the educational achievement of Hawaii's youth by making attendance at a public or private kindergarten mandatory, unless otherwise exempted by law.

Your Committee on Conference finds that parents who choose to home school their child will be allowed to continue to do so under this measure. In addition, this measure will not affect parents who choose to send their child to a private school, where the mandatory kindergarten age may require a child to be five years of age by a certain date that is different than July 31.

Your Committee on Conference has amended this measure by:

- (1) Reinserting section 1 of the S.D. 2 version of this measure to emphasize the importance of early childhood education and the benefit of making kindergarten mandatory;
- (2) Reinserting section 3 of the S.D. 2 version of this measure, which amends section 302A-411, Hawaii Revised Statutes (HRS), to make kindergarten mandatory;
- (3) Further amending section 302A-411, HRS, to clarify that charter schools are not exempt from the requirement to have kindergarten programs;
- (4) Amending section 302A-411, HRS, and section 302A-1132, HRS, to clarify that beginning with the 2014-2015 school year, any parent, guardian, or other person having the responsibility for, or care of, a child who will be at least five years of age on or before July 31 of the school year shall enroll the child in a public school kindergarten unless the child is enrolled at a private school or the child's attendance is otherwise exempt under this section;
- (5) Removing part II of this measure, which would have required the Department of Education to develop a statewide individualized kindergarten readiness system and establish an individualized kindergarten assessment system and appropriated funds to the Department;
- (6) Inserting an effective date of July 1, 2014; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2768, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2768, S.D. 2, H.D. 2, C.D. 1.

Representatives Takumi, Woodson, Aquino, Awana and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 5-14 on H.B. No. 2560**

The purpose of this measure is to assist child care providers located in agriculturally designated districts in meeting the child care needs of the community by:

- (1) Allowing the continued operation of family child care homes in agriculturally designated districts if located in a farm dwelling; and
- (2) Authorizing caregivers in family child care homes to provide care for one to six, rather than three to six, children unrelated to the caregivers.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2560, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2560, H.D. 2, S.D. 2, C.D. 1.

Representatives Hashem, Carroll, Wooley, Kobayashi and Ward.  
Managers on the part of the House.  
(Representatives Carroll and Ward were excused.)

Senators Chun Oakland, Nishihara, Espero, Kidani and Slom.  
Managers on the part of the Senate.  
(Senators Espero and Kidani were excused.)

**Conf. Com. Rep. 6-14 on S.B. No. 2577**

The purpose of this measure is to require naturopathic physicians to complete a minimum of thirty-five hours of continuing education courses, including a minimum of fifteen hours of continuing education courses in pharmacology, during each licensing renewal biennium beginning December 31, 2017.

Your Committee on Conference finds that naturopathic education focuses primarily on natural treatments, and therefore offers very few contact hours of study on pharmacological treatment of disease. This measure encourages naturopathic physicians to stay up to date on current practices in naturopathy and pharmacology so that they may provide the best care possible to their patients.

Your Committee on Conference has amended this measure by:

- (1) Removing the requirement that the Board of Naturopathic Medicine design standards and methodology for naturopathic physicians to report and track quality metrics and health care outcomes;
- (2) Removing the requirement that the Board of Naturopathic Medicine report on the data collection of quality metrics and health care outcomes to the Legislature;
- (3) Removing the requirement that naturopathic physicians carry medical liability insurance coverage;
- (4) Clarifying that each licensee shall complete continuing education courses prior to every biennial renewal following the December 31, 2017, renewal;
- (5) Making the measure effective upon approval; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2577, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2577, S.D. 2, H.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Rhoads, Creagan and Fukumoto.  
Managers on the part of the House.  
(Representative Rhoads was excused.)

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

**Conf. Com. Rep. 7-14 on S.B. No. 2589**

The purpose of this measure is to transfer law enforcement functions and authority related to harbors law enforcement from the Department of Transportation to the Department of Public Safety.

Your Committee on Conference finds that the Department of Public Safety, Sheriff Division, would be better suited than the Department of Transportation to perform law enforcement functions relating to harbors. Your Committee on Conference further finds that consolidating harbor law enforcement functions in the Department of Public Safety and requiring harbor police officers to meet state sheriff qualifications will benefit the State by

standardizing skill requirements and increasing professionalism.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the transfer is effective July 1, 2016;
- (2) Inserting language to amend section 266-29, Hawaii Revised Statutes, to clarify that effective July 1, 2016, the issuance of citations or notices of infractions of the state harbors civil violations system shall be under the jurisdiction of the Department of Public Safety, and all other functions and responsibilities shall remain with the Department of Transportation;
- (3) Inserting language to amend section 353C-2, Hawaii Revised Statutes, to establish a harbors section within the Department of Public Safety, transfer harbors functions from the Department of Transportation to the Department of Public Safety, and require harbor police officers to meet the same qualifications as sheriffs of the Department of Public Safety; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

Representatives Yamane, Aquino, Takayama, Cullen and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 8-14 on S.B. No. 2809**

The purpose of this measure is to align statutory language regarding utility ratemaking with widely accepted utility ratemaking principles and ratemaking practices already applied in Hawaii.

Your Committee on Conference finds that existing statute allows public utilities to earn a fair return on public utility property that is "actually used or useful" for public utility ratemaking purposes. However, the "used and useful" principle is widely accepted as the regulatory industry standard for determining fair value in ratemaking. Hawaii courts also use "used and useful" when deciding cases or disputes involving Hawaii's utility ratemaking laws. This measure conforms certain sections in the Hawaii Revised Statutes with practices followed by the Public Utilities Commission and state courts when ruling on dockets and cases involving application of Hawaii's utility ratemaking laws.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2809, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2809, S.D. 1, H.D. 1, C.D. 1.

Representatives Lee, Kawakami, Nishimoto, Lowen, Yamashita and Thielen.  
Managers on the part of the House.  
(Representative Yamashita was excused.)

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

**Conf. Com. Rep. 9-14 on H.B. No. 2251**

The purpose of this measure is to ensure that the Housing Loan and Mortgage Program, commonly known as the Hula Mae Multifamily Revenue Bond Program, can continue to finance the development and preservation of affordable rental housing in future years by increasing the Hula Mae Multifamily Revenue Bond Program authorization limit.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2014; and
- (2) Changing the proposed Hula Mae Multifamily Revenue Bond Program revenue bond authorization limit from \$750,000,000 to \$1,000,000,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2251, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2251, H.D. 1, S.D. 1, C.D. 1.

Representatives Hashem, Woodson, Jordan and Ward.

Managers on the part of the House.

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

**Conf. Com. Rep. 10-14 on S.B. No. 2391**

The purpose of this measure is to establish a two-year pilot project to convene one working group on the island of Oahu to identify and implement management strategies for the resolution of user conflicts on public recreational lands.

Your Committee on Conference finds that establishing a working group comprising state, county, and community representatives on the island of Oahu would facilitate the identification of recreational land management solutions that are well suited for the unique challenges faced in the particular site selected to be the focus of the working group.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2391, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2391, S.D. 2, H.D. 1, C.D. 1.

Representatives Evans, Lowen, Kawakami and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 11-14 on S.B. No. 2877**

The purpose of this measure is to clarify that no use permit issued to a corporation or other business entity for a state small boat harbor facility may be transferred unless specifically provided by law. This measure also exempts transfers of stock or interest in a corporation or other business entity between immediate family members solely for the purpose of estate planning purposes from paying the passenger-carrying capacity business transfer fee to the Department of Land and Natural Resources.

Your Committee on Conference finds that this measure seeks to clarify that use permits issued to a corporation or other business entity for a state small boat harbor facility may only be transferred if the corporation or other business entity holds a valid commercial use permit. This measure prevents people from bypassing the waitlist for a regular mooring permit by acquiring a corporation or other business entity holding a regular mooring permit.

Your Committee on Conference has amended this measure by:

- (1) Upon the recommendation of the Attorney General, clarifying the definition of "controlled group" to mean parent-subsidiary corporations, brother-sister corporations, or constructive owner; and
- (2) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2877, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2877, S.D. 1, H.D. 1, C.D. 1.

Representatives Evans, Lowen, Hanohano, Say and Fale.  
Managers on the part of the House.  
(Representative Say was excused.)

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

**Conf. Com. Rep. 12-14 on S.B. No. 651**

The purpose of this measure is to:

- (1) Prohibit the Hawaii Public Housing Authority from entering into or renewing any lease, rental agreement, permit, or license, including month-to-month tenancy, effective July 1, 2014, unless the lease, rental agreement, permit, or license prohibits smoking in the public housing project; and
- (2) Authorize the Hawaii Public Housing Authority to terminate any lease, rental agreement, permit, or license for smoking anywhere other than within a designated smoking area of the public housing project when smoking is prohibited.

Your Committee on Conference finds that there are many hazards caused by involuntary exposure to tobacco smoke. The United States Surgeon General has found that there is no safe level or amount of exposure to secondhand smoke.

Your Committee on Conference has amended this measure by:

- (1) Deleting language prohibiting the Hawaii Public Housing Authority from entering into or renewing any lease, rental agreement, permit, or license, including month-to-month tenancy, effective July 1, 2014, unless the lease, rental agreement, permit, or license prohibits smoking in the public housing project;
- (2) Inserting language prohibiting smoking in any public housing project, elder or elderly household, or state low-income housing project, including individual housing units, common areas, community facilities, and areas within twenty feet from each building, entrance, exit, window, and ventilation intake that serves an enclosed or partially enclosed area;
- (3) Requiring that designated smoking areas be at least twenty feet, rather than twenty-five feet, from any building, or any greater distance that would ensure the secondhand smoke does not infiltrate any dwelling unit;
- (4) Inserting language requiring the Authority to place and maintain "No smoking" signage at all entrances and exits of the property and allowing the Authority to display additional signage for the purpose of conspicuous notice;
- (5) Inserting a definition of "common areas";
- (6) Inserting a definition of "smoking";
- (7) Removing the notice provision requiring the Authority to notify a tenant in writing of noncompliance with the smoking prohibition;
- (8) Removing language providing for termination of a lease, rental agreement, permit, or license, including a month-to-month tenancy, and eviction from the dwelling unit if a tenant fails to comply with the smoking prohibition;
- (9) Authorizing termination of the lease, rental agreement, permit, or license and the eviction of a tenant upon a third violation, rather than the first violation, of the smoking prohibition by a resident, a guest who is visiting a resident, or any member of the resident's household; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 651, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 651, S.D. 2, H.D. 2, C.D. 1.

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

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

#### **Conf. Com. Rep. 13-14 on S.B. No. 2048**

The purpose of this measure is to:

- (1) Amend the definition of "service area" to include "franchise area";
- (2) Authorize the Director of Commerce and Consumer Affairs to designate access organizations in each franchise area;
- (3) Delete the requirement that the Department of Commerce and Consumer Affairs conduct annual management and financial audits of designated public, educational, or governmental access channels; and
- (4) Remove the sunset provision in Act 19, Session Laws of Hawaii 2011.

Your Committee on Conference finds that this measure allows the Director of Commerce and Consumer Affairs to permanently designate an access organization in each franchise area to oversee public, educational, or governmental channels and ensures that the Cable Advisory Committee retains the ability to advise the Director and access organizations on certain matters.

Your Committee on Conference further finds that this measure deletes the requirement that the Department of Commerce and Consumer Affairs conduct annual management and financial audits of designated public, educational, or governmental access organizations, as these organizations are already required to provide annual independently audited financial statements to the Department. However, your Committee on Conference notes that according to the Department of Commerce and Consumer Affairs, the Department still retains the authority and discretion to conduct periodic audits of designated public, educational, or governmental access organizations. The Department of Commerce and Consumer Affairs has also indicated a willingness to mandate periodic management and financial reviews in the contracts with the designated public, educational, or governmental access organizations, thus ensuring sufficient oversight and transparency.

Your Committee on Conference has amended this measure by inserting an effective date of June 29, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2048, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2048, S.D. 1, H.D. 2, C.D. 1.

Representatives McKelvey, Rhoads, Kawakami, Lee and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 14-14 on S.B. No. 2742**

The purpose of this measure is to initiate a revolutionary and innovative public and private partnership to be known as the Pacific-Asia Institute for Resilience and Sustainability.

Your Committee on Conference finds that the Pacific-Asia Institute for Resilience and Sustainability is envisioned to provide an opportunity for a new generation of leaders to emerge who have the ability to learn from emerging trends and to meet global challenges. The Institute's multi-disciplinary and multi-sector approach to community resilience addresses a blind spot in the global discourse of how nations and the people in each nation respond to a wave of disruptive change that permeates throughout the world.

Your Committee on Conference has amended this measure by:

- (1) Deleting the creation of a new chapter in statute, and instead enacting the language as session law;
- (2) Deleting references to establishment of the Institute as a nonprofit entity under chapter 414D, Hawaii Revised Statutes;
- (3) Designating the Office of the Lieutenant Governor to act as the State's liaison to assist the Institute in carrying out its duties;
- (4) Making discretionary, rather than mandatory, certain activities of the Institute and the Institute's pursuit of funding from various entities;
- (5) Making the Institute eligible for grants and subsidies under chapter 42F;
- (6) Changing the effective date to upon approval; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

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

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

**Conf. Com. Rep. 15-14 on H.B. No. 452**

The purpose of this measure is to increase protections for voting rights by:

- (1) Prohibiting the inclusion of false information about the time, date, place, or means of voting in any advertisement that is broadcast, televised, circulated, published, distributed, or otherwise communicated; and
- (2) Expanding the offense of election fraud to include any person who knowingly broadcasts, televises, circulates, publishes, distributes, or otherwise communicates, including by electronic means or advertisement, false information about the time, date, place, or means of voting with the purpose of impeding, preventing, or otherwise interfering with the free exercise of the elective franchise.

Your Committee on Conference has amended this measure by:

- (1) Deleting language amending the definition of "advertisement;"
- (2) Clarifying that the amendments made to section 11-391, Hawaii Revised Statutes, regulating advertisements for election purposes, shall take effect immediately upon the passage of this measure and shall supersede amendments to that section previously scheduled to take effect on November 5, 2014, pursuant to Act 112, Session Laws of Hawaii 2013; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 452, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 452, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Brower, Lee and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 16-14 on H.B. No. 1641**

The purpose of this measure is to strengthen the privacy rights of Hawaii residents by:

- (1) Providing that a governmental entity can require a provider of electronic communication service or a provider of remote computing services to disclose the contents of an electronic communication pursuant only to a search warrant;
- (2) Specifying that a provider of electronic communication service or remote computing services is required to disclose a record or other information pertaining to a subscriber to, or customer of, the service, other than the contents of an electronic communication, to a governmental entity only when presented with a court order that seeks the disclosure of transactional records, other than real-time transactional records; and
- (3) Specifying that a governmental entity must demonstrate probable cause to obtain a court order for the disclosure of transactional records.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1641, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1641, S.D. 1, C.D. 1.

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

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

**Conf. Com. Rep. 17-14 on S.B. No. 2082**

The purpose of this measure is to:

- (1) Clarify that the schedule of fees established in section 501-218(a), Hawaii Revised Statutes, is not intended to be a comprehensive schedule of all fees payable under chapter 501, Hawaii Revised Statutes, relating to Land Court registration; and
- (2) Specifically authorize the Supreme Court of Hawaii, Department of Land and Natural Resources, and Department of Accounting and General Services to revise, amend, add to, or eliminate fees payable under the schedule.

Your Committee on Conference finds that this measure does not attempt to alter or amend the existing schedule of fee items but rather seeks to clarify and establish that the respective branch of government or department may establish and amend, from time to time, its own schedule of fees for the services it performs.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2082, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2082, S.D. 1, H.D. 2, C.D. 1.

Representatives Evans, Rhoads, Lowen, Har, Say and Matsumoto.  
Managers on the part of the House.  
(Representatives Har and Say were excused.)

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

**Conf. Com. Rep. 18-14 on S.B. No. 2953**

The purpose of this measure is to allocate to the Department of Hawaiian Home Lands an unspecified amount of the royalties received by the State from geothermal resources located on lands under the jurisdiction of the Department.

Your Committee on Conference finds that although geothermal development in Hawaii has contributed to greater energy diversification of the State, the cultural, health, and environmental concerns related to the development of geothermal energy must be carefully and properly addressed and managed. This measure provides a fair allocation of geothermal mining royalties while providing a needed source of revenue to support the Department of

Hawaiian Home Lands' programs, including homestead lot development, loans, and rehabilitation programs, and administration expenses to support these programs.

Your Committee on Conference has amended this measure by:

- (1) Specifying that one hundred percent of the royalties received by the State from geothermal resources located on lands under the jurisdiction of the Department of Hawaiian Home Lands shall be paid to the Department; and
- (2) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2953, S.D. 1, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2953, S.D. 1, H.D. 3, C.D. 1.

Representatives Evans, Hanohano, Luke, Cullen, Lee and Fale.  
Managers on the part of the House.  
(Representatives Lee and Fale were excused.)

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

#### **Conf. Com. Rep. 19-14 on S.B. No. 3121**

The purpose of this measure is to require legislative approval of any exchange of public land for private land by majority vote of both houses of the Legislature.

Your Committee on Conference finds that existing law subjects any exchange of public land for private land to disapproval by the Legislature by two-thirds vote of either the Senate or the House of Representatives. Your Committee on Conference believes that by requiring legislative approval rather than disapproval, this measure will require an affirmative action of the Legislature in order to approve any public land exchange.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3121, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3121, S.D. 1, H.D. 1, C.D. 1.

Representatives Evans, Luke, Lowen, Nishimoto and Matsumoto.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 20-14 on S.B. No. 2330**

The purpose of this measure is to update the composition, leadership, and meeting requirements of the Kaneohe Bay Regional Council to facilitate the Council's activities for the protection and management of Kaneohe Bay.

Your Committee on Conference finds that the Kaneohe Bay Regional Council has not functioned at optimal capacity in recent years. In fact, your Committee on Conference is aware that it is difficult for the Council to achieve quorum, creating a lack of adequate meetings during which the Council can perform its business. This measure is intended to address that issue as well as other concerns.

Your Committee on Conference has amended this measure by:

- (1) Requiring the Council to hold meetings quarterly, rather than semi-annually, on the status of the implementation of the master plan; and
- (2) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2330, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2330, S.D. 1, H.D. 1, C.D. 1.

Representatives Hanohano, Kawakami, Ito, Say and Fale.  
Managers on the part of the House.  
(Representative Say was excused.)

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

**Conf. Com. Rep. 21-14 on H.B. No. 737**

The purpose of this measure is to statutorily implement a proposed constitutional amendment that authorizes the State to issue special purpose revenue bonds and use the bond proceeds to assist agricultural enterprises, rather than only agricultural enterprises serving important agricultural lands.

Your Committee on Conference has amended this measure by changing its effective date to July 1, 2014 and upon ratification of the necessary constitutional amendments by the voters.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 737, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 737, H.D. 2, S.D. 1, C.D. 1.

Representatives Wooley, Onishi, Tokioka and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 22-14 on H.B. No. 1814**

The purpose of this measure is to modernize the laws relating to the payment of wages and other compensation by:

- (1) Authorizing employers to pay wages to an employee using a pay card if certain conditions are met;
- (2) Reflecting direct deposit as a current practice in the payment of wages under certain conditions; and
- (3) Holding an employer responsible for any fees incurred due to insufficient funds in the employer's bank account for an electronic transfer of the employee's wages.

Your Committee on Conference has amended this measure by:

- (1) Deleting findings about the groups of employees served by pay cards;
- (2) Specifying that an employer shall not pay wages due to its employees by use of a pay card unless:
  - (A) The employee is given the option of receiving wages by direct deposit, paper check, or pay card before the employee chooses a method of payment;
  - (B) The employer is responsible for fees that have been assessed outside the pay card fee schedule;
  - (C) The pay card allows the employee to make at least three free withdrawals, at least one of which permits withdrawal of the full amount of the employee's net wages on the card during each pay period;
  - (D) The pay card provides the employee with means to access the balance or other account information by telephone free of charge;
  - (E) The pay card provides the employee with a free of charge, readily accessible electronic history of the employee's account transactions covering at least 60 days preceding the date the employee electronically accesses the account;
  - (F) Upon oral or written request or via electronic signature by the employee, the pay card provides the employee with a written history of the account transactions covering at least 60 days prior to the employee's request; and
  - (G) The pay card does not assess an overdraft fee or charge against an employee or the employee's account;
- (3) Specifying that pay card transactions and direct deposits shall be conducted through a federally insured depository institution;
- (4) Allowing an employer to pay wages to an employee by direct deposit to an employee's account; provided that the employee has voluntarily authorized the direct deposit of wages in writing or via electronic signature;
- (5) Changing its effective date to July 1, 2014; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1814, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1814, H.D. 2, S.D. 2, C.D. 1.

Representatives Nakashima, McKelvey, Evans, Ing and Johanson.  
Managers on the part of the House.  
(Representative Evans was excused.)

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

**Conf. Com. Rep. 23-14 on H.B. No. 2448**

The purpose of this measure is to authorize the Hawaii Housing Finance and Development Corporation to issue bonds to finance the development of infrastructure for land owned by an eligible developer whose housing project approval by the State or a county requires the construction of affordable housing.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2014; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2448, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2448, H.D. 2, S.D. 1, C.D. 1.

Representatives Hashem, Woodson, Jordan, Oshiro and Ward.  
Managers on the part of the House.  
(Representative Oshiro was excused.)

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

**Conf. Com. Rep. 24-14 on H.B. No. 1604**

The purpose of this measure is to encourage compliance with campaign finance laws by providing that certificates of election be delivered to a person elected only after the person has:

- (1) Filed reports required under sections 11-331 and 11-333, Hawaii Revised Statutes, rather than expense statements; and
- (2) Paid any fines assessed by the Campaign Spending Commission.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1604, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1604, H.D. 2, S.D. 1, C.D. 1.

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

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

**Conf. Com. Rep. 25-14 on H.B. No. 2188**

The purpose of this measure is to repeal the Waiialua Loan and Subsidy Program, Kikala-Keokea Housing Revolving Fund, and Kikala-Keokea Infrastructure Development Fund, which are essentially nonfunctional, and deposit any residual amounts left in either the Program or Funds into the Rental Assistance Revolving Fund or general fund.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2188, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2188, H.D. 1, S.D. 1, C.D. 1.

Representatives Hashem, Woodson, Jordan, Oshiro and Ward.  
Managers on the part of the House.  
(Representatives Jordan and Oshiro were excused.)

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

**Conf. Com. Rep. 26-14 on H.B. No. 2139**

The purpose of this measure is to allow county council members greater communication with the public, while ensuring transparency, by authorizing county councils to hold limited meetings as part of another board or community group meeting, where any number of county council members may attend, subject to certain limitations.

Your Committee on Conference has amended this measure by:

- (1) Accelerating its repeal date to June 30, 2016; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2139, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2139, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Belatti, Lee and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 27-14 on H.B. No. 1706**

The purpose of this measure is to deter illegal parking on bicycle lanes and bicycle paths by increasing the minimum penalty for driving or parking a motor vehicle on a bicycle lane or path.

Your Committee on Conference has amended this measure by:

- (1) Making the offense of parking a motor vehicle on a bicycle lane or bicycle path a non-discretionary fine of \$200 that shall be deposited into the State Highway Fund;
- (2) Changing the effective date to July 1, 2014; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1706, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1706, H.D. 1, S.D. 1, C.D. 1.

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

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

**Conf. Com. Rep. 28-14 on H.B. No. 1811**

The purpose of this measure is to extend the sunset date of Act 46, Session Laws of Hawaii 2012, to provide the Department of Transportation more time to complete lease or permit negotiations and reach an agreement with airport concessionaires.

Your Committee on Conference has amended this measure by:

- (1) Specifying that Act 46, Session Laws of Hawaii 2012, shall be repealed on July 1, 2015; and
- (2) Changing the effective date to June 30, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1811, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1811, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamane, Takayama, Ichiyama and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 29-14 on H.B. No. 1750**

The purpose of this measure is to expand the offense of Violation of Privacy in the First Degree to include knowingly disclosing an image or video of another identifiable person either in the nude or engaging in sexual contact without the consent of the depicted person with intent to harm substantially the depicted person.

Your Committee on Conference has amended this measure by:

- (1) Replacing the term "sexual contact" with "sexual conduct," which expands the range of sexual activities included in the prohibition;
- (2) Clarifying that the exemptions to this offense provide immunity for:
  - (A) The distribution of images or videos made of the depicted person while voluntarily nude or voluntarily engaging in sexual conduct in public, or pursuant to a voluntary commercial transaction; and
  - (B) The providers of electronic communication service or remote computing service for images or videos disclosed through the service by another person; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1750, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1750, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Brower, Tsuji and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 30-14 on S.B. No. 2729**

The purpose of this measure is to:

- (1) Amend the fines relating to penalties for violation of the mobile electronic devices law by imposing a fine of not less than \$250 to be deposited into the state highway fund, and a fine of \$400 to be paid to the Director of Finance if the violation occurs in a school zone or construction area; and
- (2) Clarify that a violation is deemed to be a traffic infraction.

After the passage of Act 74, Session Laws of Hawaii 2013, which enacted the mobile electronic devices law (codified as section 291C-137, Hawaii Revised Statutes), the Legislature received numerous public complaints about the onerous burden of requiring violators to make a court appearance. Your Committee on Conference prefers not to force violators to appear in court. Particularly for neighbor islands, a person is likely to have to travel many miles to appear in court and wait for the case to be called, which consumes a whole day's worth of time. According to testimony of the Judiciary on this measure, "Since the inception of the current law there have been 7,184 mobile device cases statewide of which 4,171 cases have been adjudicated. However, in almost 900 of these cases a bench warrant has been issued for those defendants who did not make a court appearance. In some cases where the warrants have been served, defendants have also been convicted of contempt of court for failure to appear. For these cases, defendants have a criminal conviction record which is recorded in the Hawaii Criminal Justice Center's CJIS database."

Your Committee on Conference prefers to allow violators to mail in the fine without a court appearance for persons age eighteen and older, which greatly reduces crowded District Court calendars and avoids the possibility of having a criminal record. Your Committee on Conference finds that a traffic infraction does not require a court appearance under section 291D-3, Hawaii Revised Statutes, unless a violator requests a trial.

Your Committee on Conference has amended this measure by:

- (1) Adding an exemption for drivers of vehicles that are at a complete stop, while the engine is turned off, in a safe location by the side of the road out of the way of traffic;
- (2) Clarifying the definition of "operate" to mean to drive or assume actual physical control of the vehicle upon a public way, street, road, or highway, including operation while temporarily stationary because of traffic, a traffic light, or a stop sign;
- (3) Setting a flat fine of \$250 for a violation;
- (4) Reducing the fine from \$400 to \$300 for violations occurring in a school zone or construction area;
- (5) Specifying that any violation is deemed a traffic infraction, so as to negate the necessity of appearing in court to respond;
- (6) Changing the effective date to July 1, 2014; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee on Conference believes that the flat fine in the measure as amended, will increase revenues that are to be deposited into the state highway fund and the general fund. Thus, this amended measure represents a win-win compromise.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2729, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2729, S.D. 2, H.D. 1, C.D. 1.

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

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

**Conf. Com. Rep. 31-14 on S.B. No. 2799**

The purpose of this measure is to:

- (1) Authorize the Hawaii Housing Finance and Development Corporation Board of Directors to set the salary of the Hawaii Housing Finance and Development Corporation Executive Director; and
- (2) Require the Board to consider altering the Executive Director's benefits package in exchange for a salary that exceeds the salary level of civil service employees.

Your Committee on Conference finds that the salary of the Executive Director of the Hawaii Housing Finance and Development Corporation should be commensurate with the salaries of other executive directors of housing finance agencies nationwide. Allowing the Board of Directors of the Hawaii Housing Finance and Development Corporation to set the salary of the Executive Director will enable the Board to recruit and retain a qualified Executive Director.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to require prior legislative approval by concurrent resolution for the salary set by the Board of Directors of the Hawaii Housing Finance and Development Corporation for the Executive Director;
- (2) Deleting language that would have required the Board of Directors of the Hawaii Housing Finance and Development Corporation to consider the option to withhold or alter the benefits package of the Executive Director in exchange for a salary that exceeds the salary level of civil service employees who are entitled to receive benefits under chapter 76, Hawaii Revised Statutes;
- (3) Deleting language that would have required the Board to submit a report to the Legislature that includes whether the Board exercised its option to withhold or alter the benefits package of the Executive Director and the Board's rationale for its decision following each adjustment to the Executive Director's salary;
- (4) Changing the effective date to upon approval; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2799, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2799, S.D. 2, H.D. 1, C.D. 1.

Representatives Hashem, Nakashima, Woodson, Takayama and Ward.  
Managers on the part of the House.

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

**Conf. Com. Rep. 32-14 on S.B. No. 2591**

The purpose of this measure is to:

- (1) Require the chief of each county police department to submit a report to the Legislature by January 31 of each year covering misconduct incidents that resulted in suspension or discharge of a police officer during the calendar year immediately prior to the year of the report submission;
- (2) Specify the information each report must contain, including updated information from previous reports;
- (3) Require the chief of each county police department to retain the disciplinary records in accordance with the department's record retention policies or for at least eighteen months after the final report concerning that incident, whichever period is longer; and
- (4) Authorize the disclosure of certain information regarding police officers suspended for one year or more for one incident, in addition

to discharged police officers.

Your Committee on Conference finds that for over a decade, the only public information available concerning final suspensions of police officers has been the annual report to the Legislature, required by section 52D-3.5, Hawaii Revised Statutes, yet these reports provide minimal detail. This measure improves the applicability of section 52D-3.5, Hawaii Revised Statutes, and creates a more informed public dialogue about misconduct by police officers while recognizing that the balance of privacy and public interest is not easily defined and is a task better suited to common law.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to specify that information relating to the disciplinary action of a police officer that results in discharge may be disclosed only after ninety days, rather than thirty days, following the issuance of a decision sustaining the discharge;
- (2) Deleting language that would have permitted the disclosure of certain information regarding police officers if suspended for one year or more for one incident; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2591, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2591, S.D. 1, H.D. 1, C.D. 1.

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

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

#### **Conf. Com. Rep. 33-14 on H.B. No. 2401**

The purpose of this measure is to:

- (1) Add a new section to Chapter 514B, Hawaii Revised Statutes, to:
  - (A) Consolidate the documents, records, and information that must be made available to any unit owner; and
  - (B) Specify that these documents, records, and information shall be provided to a unit owner no later than 30 days after the receipt of the unit owner's written request; and
- (2) Make conforming amendments to include the new section in Chapter 514B, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the new section being added to Chapter 514B, Hawaii Revised Statutes, shall apply to condominiums organized under Chapter 514A or 514B, Hawaii Revised Statutes;
- (2) Changing its effective date to July 1, 2014; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2401, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2401, H.D. 2, S.D. 2, C.D. 1.

Representatives Hashem, McKelvey, Rhoads, Oshiro, Woodson and Ward.  
Managers on the part of the House.  
(Representatives Oshiro and Ward were excused.)

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

#### **Conf. Com. Rep. 34-14 on S.B. No. 2300**

The purpose of this measure is to authorize the State Fire Council to:

- (1) Establish statewide qualifications and procedures for testing, certifying, and credentialing individuals who perform maintenance and testing of portable fire extinguishers, fire protection systems, and fire alarm systems; provided that the county fire departments may establish and charge reasonable certification fees;

- (2) Develop, implement, and coordinate a statewide system to promote the effective use of fire and life safety resources; and
- (3) Adopt rules pursuant to chapter 91, Hawaii Revised Statutes, for the purposes of section 132-16, Hawaii Revised Statutes.

Your Committee on Conference finds that fire safety systems require routine maintenance to ensure reliable operability when used by fire department personnel and to protect building occupants during emergency situations. Individuals that conduct maintenance testing must be licensed; however, the current exam has not been revised for several years. This measure will allow the State Fire Council to update and establish statewide standards for the maintenance and testing of fire safety systems.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have allowed the State Fire Council to implement a statewide system to encourage the effective use of fire and life safety resources;
- (2) Amending section 1 to reflect the amended findings and purpose of this measure;
- (3) Changing the effective date to upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2300, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2300, S.D. 1, H.D. 1, C.D. 1.

Representatives Aquino, McKelvey, Cachola and McDermott.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 35-14 on H.B. No. 2052**

The purpose of this measure is to increase access to provider orders for life-sustaining treatment (POLST) by:

- (1) Updating references from "physician orders for life-sustaining treatment" to "provider orders for life-sustaining treatment" throughout Chapter 327K, Hawaii Revised Statutes, to accurately reflect that physicians are not the only primary care providers who may sign a POLST form on behalf of a patient;
- (2) Expanding health care provider signatory authority to include advanced practice registered nurses; and
- (3) Correcting inconsistencies over terms used to describe who may sign a POLST form on behalf of a patient.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2052, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2052, H.D. 2, S.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Rhoads, Creagan and Fukumoto.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 36-14 on H.B. No. 2213**

The purpose of this measure is to authorize an unspecified amount for the issuance of special purpose revenue bonds to assist West Maui Hospital Foundation, Inc., to finance the establishment of a hospital in West Maui.

Your Committee on Conference has amended this measure by:

- (1) Authorizing the issuance of special purpose revenue bonds of up to \$50,000,000 for the establishment of a hospital in West Maui; and
- (2) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2213, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2213, H.D. 1, S.D. 1, C.D. 1.

Representatives Belatti, Ing, Woodson and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 37-14 on H.B. No. 2304**

The purpose of this measure is to enable the Neurotrauma Advisory Board (Board) to function more efficiently and effectively by, among other things:

- (1) Decreasing the number of members on the Board from 21 members to 11 members;
- (2) Authorizing the Director of Health to appoint to the Board, up to three state and county representatives whose work relates to neurotrauma, to be ex officio, nonvoting members of the Board; and
- (3) Establishing quorum requirements for the Board.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2304, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2304, H.D. 2, S.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Creagan and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 38-14 on H.B. No. 611**

The purpose of this measure is to protect and promote the public health and safety of minors by:

- (1) Making it unlawful for tanning facility owners, lessees, and operators to allow individuals under the age of 18 to use tanning equipment that tans the skin with electromagnetic radiation; and
- (2) Requiring the Director of Health to impose fines on any person who violates the provisions of this measure.

Your Committee on Conference has amended this measure by:

- (1) Authorizing, rather than requiring, the Director of Health to impose fines on any person who violates the provisions of this measure; and
- (2) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 611, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 611, H.D. 1, S.D. 1, C.D. 1.

Representatives Belatti, Rhoads, Creagan, Oshiro and Fukumoto.  
Managers on the part of the House.  
(Representative Oshiro was excused.)

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

**Conf. Com. Rep. 39-14 on H.B. No. 1723**

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

- (1) Require the attending physician, in addition to the administrator, of a psychiatric facility to provide notice of intent to discharge a patient or notice of a patient's admission to voluntary treatment;
- (2) Provide that the notice requirements under section 334-60.7, Hawaii Revised Statutes (HRS), apply only to civil commitments that result directly from legal proceedings under chapters 704 and 706, HRS;
- (3) Require that a certificate of service, in addition to the notice of intent to discharge, be filed with the Family Court and served on those persons whom the order of commitment specifies as entitled to receive notice;

- (4) Allow any person entitled to receive notice to waive this right in writing with the psychiatric facility;
- (5) Increase the time, from three to five calendar days of mailing the notice, in which the administrator or attending physician of the psychiatric facility must discharge or accept the patient for voluntary inpatient treatment;
- (6) Require Family Court to conduct a hearing as soon as possible, prior to termination of a current commitment order, to determine if the patient still meets the criteria for involuntary hospitalization;
- (7) Require a person filing an objection to notify the psychiatric facility by telephone on the date the objection is filed; and
- (8) With respect to patients committed on court order from a criminal proceeding, require the administrator of a psychiatric facility to send a notice of intent to discharge or notice of the patient's admission to voluntary inpatient treatment to the prosecuting attorney of the county from which the person was originally committed, by facsimile or electronically.

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

- (1) With respect to civil commitments that do not result directly from legal proceedings under chapters 704 and 706, HRS, when the administrator or attending physician of a psychiatric facility contemplates discharge of an involuntary patient, authorizing the administrator or attending physician to assess whether an assisted community treatment plan is indicated and, if so indicated, communicate with an aftercare provider as part of discharge planning;
- (2) Specifying that with regard to notice of intent to discharge a patient under this measure, the requirements and procedures apply to Family Court; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1723, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1723, H.D. 2, S.D. 1, C.D. 1.

Representatives Belatti, Rhoads, Carroll and Fukumoto.  
Managers on the part of the House.  
(Representative Carroll was excused.)

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

#### **Conf. Com. Rep. 40-14 on H.B. No. 1823**

The purpose of this measure is to provide a process for resolving disputes regarding the fair market value or fair rental value of public land in sale, lease, or repurchase transactions involving the Board of Land and Natural Resources through mediation while preserving the existing remedy of binding arbitration.

Your Committee on Conference has amended this measure by:

- (1) Changing its effective date to July 1, 2014; and
- (2) Making a technical, nonsubstantive amendment to correct a drafting error in the existing statutory language.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1823, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1823, H.D. 1, S.D. 1, C.D. 1.

Representatives Evans, McKelvey, Har, Lowen and Matsumoto.  
Managers on the part of the House.  
(Representative Har was excused.)

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

#### **Conf. Com. Rep. 41-14 on H.B. No. 1926**

The purpose of this measure is to amend various provisions of the Hawaii Penal Code. Specifically, this measure:

- (1) Deletes the conviction of Theft in the First Degree and Promoting Prostitution in the Second Degree from the class C felony offenses enumerated under the law relating to the sentencing of repeat offenders;
- (2) Adds the offenses of Promoting Prostitution in the First Degree, Promoting Prostitution in the Second Degree, and Solicitation of a Minor for Prostitution to the law relating to enhanced sentencing for repeat violent and sexual offenders;

- (3) Limits the law enforcement exemption from the offense of Prostitution to exclude acts involving sexual penetration;
- (4) Creates a safe harbor provision for minors by establishing that minors will not be prosecuted for any prostitution and promoting prostitution offenses if the minor was less than eighteen years of age at the time of the offense and the prostitution offense is the minor's first and only prostitution offense;
- (5) Amends the offense of Solicitation of a Minor for Prostitution by:
  - (A) Including solicitation of a person who represents that person's self as a minor;
  - (B) Increasing the mandatory fines for those convicted under the offense;
  - (C) Providing a law enforcement exemption; and
  - (D) Making it a strict liability offense; and
- (6) Makes Solicitation of a Minor for Prostitution ineligible for deferred acceptance of guilty or no contest pleas.

Your Committee on Conference unequivocally intends the Solicitation of a Minor for Prostitution to be a strict liability offense with regard to the age of the minor. Any specified state of mind listed therein does not apply to the age of a victim solicited under this section. Therefore, a defendant charged under this section may not defend as to the defendant's state of mind concerning the age of the victim, and will be strictly liable with respect to the age of the victim and the attendant circumstance of the victim's age.

Your Committee on Conference has amended this measure by:

- (1) Adding sadomasochistic abuse as an element of the offense of Prostitution;
- (2) Clarifying that the law enforcement exemption from the offense of Prostitution excludes acts of sadomasochistic abuse in addition to acts of sexual penetration;
- (3) Removing the safe harbor provision for minors from prosecution for prostitution and promoting prostitution offenses;
- (4) Amending the offense of Solicitation of a Minor for Prostitution to:
  - (A) Clarify that the offense applies to intentional, knowing, or reckless conduct;
  - (B) Specify that the offense applies to solicitation of a person who represents that person's self as a minor only if that person is a member of a police department, a sheriff, or a law enforcement officer; and
  - (C) Further clarify that the offense is strict liability in regards to age; and
- (5) Making technical nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1926, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1926, H.D. 1, S.D. 1, C.D. 1.

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

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

#### **Conf. Com. Rep. 42-14 on H.B. No. 2205**

The purpose of this bill is to deter property crime in Hawaii by:

- (1) Providing that for a conviction of habitual property crime, the sentence must be either:
  - (A) A mandatory minimum term of imprisonment of one year; or
  - (B) A term of probation of five years, with conditions to include but not be limited to one year of imprisonment; and
- (2) Making conforming amendments to section 706-606.5, Hawaii Revised Statutes, thereby making sentencing of repeat offenders pursuant to that section inapplicable to the offenses of criminal property damage in the third degree, theft in the third degree, and misdemeanor shoplifting.

Your Committee on Conference has amended this measure by:

- (1) Deleting language amending section 706-606.5, Hawaii Revised Statutes, that would have made sentencing of repeat offenders

pursuant to that section inapplicable to the offenses of criminal property damage in the third degree, theft in the third degree, and misdemeanor shoplifting; and

- (2) Clarifying that for a person convicted of habitual property crime, the sentence will be:
- (A) An indeterminate term of five years, with a minimum term of one year; or
  - (B) For a first conviction only, a term of probation of five years, with conditions to include but not be limited to one year of imprisonment.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2205, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2205, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Lee, Nakashima and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 43-14 on H.B. No. 2243**

The purpose of this measure is to allow qualified entities to request state and national fingerprint-based criminal history record checks on their applicants, employees, and volunteers who provide care for children, vulnerable adults, or individuals with disabilities, and to receive the results of the record checks directly.

Your Committee on Conference has amended this measure by removing language that would have required the waiver allowing the release of criminal history record information:

- (1) To be voluntary; and
- (2) To conform to requirements of the National Child Protection Act of 1993.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2243, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2243, H.D. 1, S.D. 1, C.D. 1.

Representatives Aquino, Har, Kawakami and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 44-14 on S.B. No. 2687**

The purpose of this measure is to amend section 657-1.8, Hawaii Revised Statutes, by:

- (1) Extending the statutory period from two to four years after April 24, 2012, to allow a victim of child sexual abuse to bring a civil action against the victim's abuser or a legal entity with a duty of care, if the victim is barred from filing a claim due to the expiration of the applicable statute of limitations that was in effect prior to April 24, 2012; and
- (2) Changing the legal standard used by the court to award damages against a legal entity from a finding of gross negligence to a finding of negligence on the part of the legal entity.

Your Committee on Conference finds that child sexual abuse is an epidemic that unfortunately is not adequately addressed because a vast majority of child sexual abuse victims fail to report their sexual assaults to the authorities. Studies have estimated that between sixty to eighty percent of child sexual abuse victims withhold disclosure. Furthermore, studies examining latency in disclosure report an average delay of three to eighteen years.

In response to this issue, the Legislature passed Act 68, Session Laws of Hawaii 2012 (Act 68), to extend the statute of limitations for civil actions brought by a victim of sexual offenses as a minor against the person who committed the act and establish a two-year window to allow a victim of sexual abuse to bring a cause of action if bringing such an action was barred due to the expiration of the statute of limitations that was in effect prior to April 24, 2012. Your Committee on Conference further finds that the two-year window to allow a victim of child sexual abuse to bring a cause of action that is otherwise barred will sunset on April 24, 2014, if legislative action is not taken. This measure provides an opportunity for a victim to file a cause of action if the statute of limitations has lapsed.

Your Committee on Conference has amended this measure by:

- (1) Reinstating the legal standard used by the court to award damages against a legal entity from a finding of negligence to a finding of

gross negligence on the part of the legal entity; and

- (2) Changing the effective date from July 1, 2080, to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2687, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2687, S.D. 1, H.D. 2, C.D. 1.

Representatives Carroll, Rhoads, Brower and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 45-14 on S.B. No. 2368**

The purpose of this measure is to codify a portion of the Model Protection of Charitable Assets Act (Act) to:

- (1) Require the Attorney General to protect charitable assets, regardless of the form in which they are held;
- (2) Authorize the Attorney General to enforce the application of the charitable asset to prevent or remedy the misapplication, diversion, waste, or breach of duty in management of a charitable asset or commence or intervene in an action to do the same; and
- (3) Authorize the Attorney General to conduct investigations.

Your Committee on Conference finds that this measure codifies section 3 of the Act. One of the major goals of the Act is to articulate the Attorney General's duty to represent the public interest in the protection of charitable assets. The Act declares and clarifies the scope of the Attorney General's duty to protect charitable assets but does not limit the authority or powers that already exist.

Your Committee on Conference has amended this measure by:

- (1) Changing the effective date from December 21, 2112, to upon approval; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2368, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2368, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Rhoads, Morikawa, Belatti, Har and McDermott.  
Managers on the part of the House.  
(Representatives Belatti and McDermott were excused.)

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 46-14 on S.B. No. 1015**

The purpose of this measure is to clarify the reciprocity provision under existing law that allows the service of process issued by another state upon a Hawaii recipient. Specifically, this measure:

- (1) Clarifies that the service of process is for the production of records in the actual or constructive possession of that person or business;
- (2) Clarifies that the service of process is based upon a pending criminal investigation or prosecution in that other state;
- (3) Requires that the Hawaii recipient comply with the service of process if the issuing state has a statute authorizing the production of records held by out-of-state persons or businesses;
- (4) Specifies the types of information that the service of process issued by or in another state is required to include; and
- (5) Adds a definition of "Hawaii recipient".

Your Committee on Conference finds that existing law requires an entity located in Hawaii to comply with the criminal process issued by another state as if that process had been issued by a Hawaii court. This measure provides further clarity and addresses several concerns regarding this long-arm service of process statute.

Your Committee on Conference has amended this measure by:

- (1) Inserting language to amend the definition of "recipient" under section 806D-1, Hawaii Revised Statutes, to clarify that a recipient is a person or business that has conducted business or engaged in transactions or activities that occurred at least in part in the state from which process was issued upon whom process is properly served;

- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1015, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1015, S.D. 1, H.D. 1, C.D. 1.

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

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

**Conf. Com. Rep. 47-14 on S.B. No. 2682**

The purpose of this measure is to:

- (1) Establish that the financial disclosure statements of members of certain state boards, commissions, and agencies are public records and available for inspection and duplication; and
- (2) Limit the income source of the spouse or dependent child of an individual whose financial disclosure statement is a public record to the name and not the address of the business or other qualifying sources of income.

Your Committee on Conference finds that members of the public, especially those who are involved with and may be impacted by a board or commission member's action, are able to identify and raise concerns about possible conflicts of interest. This measure increases public disclosure to assist in identifying possible conflicts of interest among certain board or commission members.

Your Committee on Conference has amended this measure by:

- (1) Deleting the Hawaii Labor Relations Board and Labor and Industrial Relations Appeals Board from the list of a state boards, commissions, and agencies of which the financial disclosure statements of those members are public records and available for inspection and duplication; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2682, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2682, S.D. 1, H.D. 2, C.D. 1.

Representatives McKelvey, Rhoads, Kawakami, Lee and McDermott.  
Managers on the part of the House.  
(Representatives Kawakami and McDermott were excused.)

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

**Conf. Com. Rep. 48-14 on S.B. No. 2472**

The purpose of this measure is to improve the regulation of occupational therapists and occupational therapy assistants by:

- (1) Establishing an occupational therapy program within the Department of Commerce and Consumer Affairs;
- (2) Establishing licensing requirements for occupational therapists and occupational therapy assistants;
- (3) Requiring all occupational therapy assistants to possess a valid license, effective January 1, 2017; and
- (4) Appropriating funds to implement the occupational therapy program.

Your Committee on Conference finds that licensure of occupational therapists and occupational therapy assistants will protect the public health, safety, and welfare of occupational therapy patients. This measure ensures that occupational therapy will be provided by qualified occupational therapists and occupational therapy assistants in the State.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$70,000; and
- (2) Making the appropriation effective on July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2472, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2472, S.D. 2, H.D. 3, C.D. 1.

Representatives Belatti, McKelvey, Morikawa, Creagan, Kobayashi and Fukumoto.  
Managers on the part of the House.  
(Representative Kobayashi was excused.)

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

**Conf. Com. Rep. 49-14 on S.B. No. 1233**

The purpose of this measure is to:

- (1) Require private employers employing fifty or more employees to allow employees to take leaves of absence for organ, bone marrow, or peripheral blood stem cell donations;
- (2) Require employers to restore an employee returning from leave to the same or equivalent position; and
- (3) Establish a private right of action for employees seeking enforcement of provisions.

Your Committee on Conference finds that private employers are not currently required to give employees paid time off for donating organs, bone marrow, or peripheral blood stem cells. Your Committee on Conference further finds that many people in Hawaii who would otherwise donate these vital medical resources delay or altogether refrain from donation because they cannot take time off of work to do so. By requiring employers to allow employees paid time off for organ, bone marrow, and peripheral blood stem cell donation, this measure provides life-saving medical resources to benefit citizens of the State in medical need.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1233, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1233, H.D. 1, C.D. 1.

Representatives Belatti, Nakashima, Morikawa, Carroll, Jordan and Fukumoto.  
Managers on the part of the House.  
(Representative Carroll was excused.)

Senators Green, Hee, Gabbard, Ihara and Ruderman.  
Managers on the part of the Senate.

**Conf. Com. Rep. 50-14 on S.B. No. 2469**

The purpose of this measure is to improve access to health care services in the State by:

- (1) Requiring equivalent insurance reimbursement for services provided by a health care provider to a patient, regardless of whether the service is provided through telehealth or via face-to-face contact between a health care provider and patient;
- (2) Clarifying the definition of "health care provider" for telehealth purposes; and
- (3) Replacing references to "telemedicine" with "telehealth" and clarifying the definition of "telehealth" throughout the Hawaii Revised Statutes.

Your Committee on Conference finds that the effective use of telehealth is vitally important in Hawaii, where many segments of the population, especially on the neighbor islands, face geographical challenges to accessing quality health care. Your Committee on Conference further finds that this measure will assist in the delivery of enhanced statewide health care services, increase access to services, and provide timely information to patients and health care providers.

Your Committee on Conference has amended this measure by:

- (1) Not requiring a second health care provider to accompany the patient when behavioral health services are provided as a condition for reimbursement for a telehealth consultation;
- (2) Requiring reimbursement for behavioral health services provided through telehealth to be equivalent to reimbursement for the same services provided via face-to-face contact between a health care provider and a patient;
- (3) Making the measure effective upon approval; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2469, S.D. 2, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2469, S.D. 2, H.D. 3, C.D. 1.

Representatives Belatti, McKelvey, Nishimoto, Creagan, Woodson and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 51-14 on S.B. No. 1141**

The purpose of this measure is to:

- (1) Require public agencies with a defendant's medical, mental health, social, police, and juvenile records to release information to the court when the defendant is ordered to submit to a forensic mental health examination in order to expedite the process;
- (2) Amend Penal Code provisions to establish limits to the length of time an individual may remain on conditional release for certain criminal charges and to clarify circumstances under which the conditional release will be tolled; and
- (3) Require the Department of Health to submit a report to the Legislature detailing the number, frequency, and types of criminal offenses and violations committed by defendants discharged from conditional release.

Your Committee on Conference finds that the Governor commissioned a special action team in June 2012 to analyze causes and identify ideas to address the systemic factors contributing to the increased rate of admission and increased length of stay of persons admitted to the Hawaii State Hospital. This measure is the result of the special action team's efforts to improve the State's forensic mental health services.

Your Committee on Conference has amended this measure by:

- (1) Amending the findings section to clarify the purpose of the measure;
- (2) Removing police and expunged records from the types of records that public agencies are required to provide to the court;
- (3) Removing amendments to section 704-411, Hawaii Revised Statutes;
- (4) Removing the limitation of a conditional release to no more than one year for defendants who were charged with minor offenses;
- (5) Removing the tolling of a conditional release of no more than one year due to hospitalization and, in the case of a motion to revoke the conditional release, from the motion filing date to its determination date;
- (6) Removing the reporting requirement for the Department of Health; and
- (7) Inserting an effective date of July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 1141, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 1141, S.D. 2, H.D. 2, C.D. 1.

Representatives Belatti, Aquino, Rhoads, Morikawa and Ward.  
Managers on the part of the House.

Senators Green, Hee, Gabbard, Wakai and Slom.  
Managers on the part of the Senate.  
(Senators Wakai and Slom were excused.)

**Conf. Com. Rep. 52-14 on S.B. No. 2223**

The purpose of this measure is to allow the Family Court to change the name of a minor child of one or more of the parties in a divorce proceeding if the family court determines that the name change is in that child's best interest.

Your Committee on Conference finds that this measure recognizes that a name change of a minor child may be warranted as a result of a divorce by authorizing the Family Court to determine whether changing the name of a minor child is in the best interest of that child.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2080, to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2223, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2223, H.D. 2, C.D. 1.

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

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

**Conf. Com. Rep. 53-14 on S.B. No. 60**

The purpose of this measure is to afford victims and surviving immediate family members the right to participate in restorative justice processes, if no criminal charges are brought against a person or entity, for the harm suffered by the victim.

Your Committee on Conference finds that research has shown that restorative justice interventions are more effective at reducing repeat crime and recidivism than existing mainstream justice systems. This measure better incorporates the concept of restorative justice into the justice system by requiring notification to victims of crimes and surviving immediate family members regarding their right to participate in the restorative justice process under the basic bill of rights for victims and witnesses under section 801D-4, Hawaii Revised Statutes.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have required notification of the right to participate in restorative justice processes only if the wrongful act that harmed the victim does not result in criminal charges being brought against a person or entity;
- (2) Changing the effective date from July 1, 2050, to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 60, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 60, S.D. 1, H.D. 1, C.D. 1.

Representatives Carroll, Rhoads, Har, Oshiro and Fukumoto.  
Managers on the part of the House.  
(Representatives Har and Oshiro were excused.)

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

**Conf. Com. Rep. 54-14 on H.B. No. 1618**

The purpose of this measure is to assist the Board of Land and Natural Resources in fulfilling its mission to administer state lands and resources by requiring that at least one member of the Board have demonstrated expertise in native Hawaiian traditional and customary practices in accordance with specified educational, work history, or substantial experience criteria.

Your Committee on Conference has amended this measure by making it effective upon approval and applicable to the Board upon its next vacancy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1618, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1618, H.D. 1, S.D. 1, C.D. 1.

Representatives Evans, Hanohano, Nishimoto and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 55-14 on H.B. No. 2163**

The purpose of this measure is to require the court to balance the interests of parents involved in a divorce proceeding by:

- (1) Requiring the court to consider frequent, continuing, and meaningful contact with each parent when awarding custody of a minor child unless the court finds that one or both parents are unable to act in the best interests of the child;
- (2) Requiring the court to consider any necessary reduction in employment due to the needs of a dependent child and wasting of assets when ordering spousal support and maintenance; and
- (3) Establishing that in the division and distribution of property as a result of a divorce, any value given for a joint investment or asset is presumed to be a joint gift, except when assets are inherited.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the wasting of assets to be considered when ordering spousal support and maintenance applies only to parents; and
- (2) Specifying that the presumption of a joint gift when dividing property as a result of a divorce:
  - (A) Applies only to parents; and
  - (B) Is a rebuttable presumption.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2163, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2163, H.D. 2, S.D. 1, C.D. 1.

Representatives Carroll, Rhoads, Kawakami and Fukumoto.  
Managers on the part of the House.  
(Representative Kawakami was excused.)

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

**Conf. Com. Rep. 56-14 on H.B. No. 2116**

The purpose of this measure is to eliminate sentences of life imprisonment without the possibility of parole for juvenile offenders. Specifically, this measure:

- (1) Amends section 706-656, Hawaii Revised Statutes, relating to imprisonment terms for first and second degree murder and attempted first and second degree murder, to:
  - (A) Apply a sentence of life imprisonment without the possibility of parole to persons eighteen years of age or over at the time of the offense who are convicted of first degree murder or first degree attempted murder; and
  - (B) Require that persons under the age of eighteen years at the time of the offense who are convicted of first degree murder or first degree attempted murder be sentenced to life imprisonment with the possibility of parole;
- (2) Amends section 706-657, Hawaii Revised Statutes, relating to enhanced sentence for second degree murder, to apply the sentencing guidelines under this section to persons eighteen years of age or over at the time of the offense; and
- (3) Amends section 706-669, Hawaii Revised Statutes, relating to the determination of minimum terms of imprisonment, to establish a limit on the minimum term of imprisonment before a prisoner who was less than eighteen years of age at the time of the offense becomes eligible for parole.

Your Committee on Conference has amended this measure by:

- (1) Deleting the amendment to section 706-669, Hawaii Revised Statutes, relating to the determination of minimum terms of imprisonment;
- (2) Changing its effective date to upon its approval and specifying that the measure shall apply to proceedings arising on or after its effective date, and to proceedings that were begun but not concluded before its effective date; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2116, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2116, H.D. 2, S.D. 1, C.D. 1.

Representatives Carroll, Rhoads, Awana and Fukumoto.  
Managers on the part of the House.  
(Representative Fukumoto was excused.)

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

**Conf. Com. Rep. 57-14 on H.B. No. 2034**

The purpose of this measure is to provide survivors of sexual assault with additional time to engage with the legal system by:

- (1) Extending the statute of limitations for the filing of a civil action for the recovery of damages arising from the sexual abuse of a minor that constituted or would have constituted a criminal sexual offense or criminal child abuse to the later of:

- (A) The victim attaining the age of fifty-five, rather than twenty-six; or the person who committed the sexual abuse attaining the age of majority; or
- (B) Three years after the victim discovers or should have discovered that the psychological injury or illness was caused by the sexual abuse;
- (2) Extending the allowable period by five additional years in which a victim of child sexual abuse may bring a civil action against the victim's abuser or an entity, except for the State or counties, if the statute of limitations for filing a civil claim as it existed prior to April 24, 2012, lapsed;
- (3) Clarifying that after April 23, 2014, damages against a legal entity in a sexual assault civil action within the allowable period after the statute of limitations has lapsed shall be awarded only if there is a finding of negligence on the part of the legal entity; and
- (4) Tolling the period of limitation for the criminal prosecution of sexual assault in the first and second degrees against a minor victim and continuous sexual assault of a minor under the age of fourteen until the victim is twenty-five years old.

Your Committee on Conference has amended this measure by:

- (1) Deleting all language applicable to extending or tolling the statute of limitations in civil actions;
- (2) Deleting language tolling the statute of limitations for criminal prosecution of sexual assault against a minor or continuous sexual assault of a minor under the age of fourteen years and inserting language that eliminates the statute of limitations for a criminal prosecution of sexual assault in the first or second degree and continuous sexual assault of a minor under the age of fourteen years; and
- (3) Making it effective upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2034, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2034, H.D. 2, S.D. 1, C.D. 1.

Representatives Carroll, Rhoads, Brower and Fukumoto.  
Managers on the part of the House.  
(Representative Fukumoto was excused.)

Senators Hee, Shimabukuro, Galuteria, Ihara and Slom.  
Managers on the part of the Senate.  
(Senators Ihara and Slom were excused.)

#### **Conf. Com. Rep. 58-14 on S.B. No. 2410**

The purpose of this measure is to require each agency that submits a capital improvement project proposal to furnish the Department of Budget and Finance with an estimate of the operational costs for the proposed capital improvement project and all documents that support the estimate of operational costs.

The measure also requires the Department of Budget and Finance to report to the Governor an estimate of the operational costs for each proposed capital improvement project.

Your Committee on Conference finds that agencies that submit a proposal for a capital improvement project are currently not required to include an estimate of operational costs relating to the maintenance and continued operation of a facility project. Your Committee on Conference also finds that operational costs are often significant and can potentially be greater than the cost of development and construction. Your Committee on Conference believes that by requiring agencies to submit an estimate of operational costs for proposed capital improvement projects, this measure will enable the State to make fiscally sound decisions and better prioritize spending on capital improvement projects.

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

- (1) Changing the effective date from July 1, 2030, to upon approval; and
- (2) Making a technical nonsubstantive change for the purposes of clarity and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2410, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2410, S.D. 1, H.D. 1, C.D. 1.

Representatives Yamashita, Morikawa, Nishimoto and Johanson.  
Managers on the part of the House.  
(Representative Nishimoto was excused.)

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

**Conf. Com. Rep. 59-14 on H.B. No. 1942**

The purpose of this measure is to authorize the issuance of special purpose revenue bonds to assist Princeton Energy Group or a related special purpose entity with the financing and refinancing costs relating to the planning, design, and construction of a renewable energy project with energy storage technology on the island of Molokai.

Your Committee on Conference has amended this measure by:

- (1) Identifying Princeton Energy Group's related entity as Ikehu Molokai LLC;
- (2) Changing the effective date to July 1, 2014; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1942, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1942, H.D. 1, S.D. 1, C.D. 1.

Representatives Lee, Lowen, Hanohano and Thielen.  
Managers on the part of the House.  
(Representative Hanohano was excused.)

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

**Conf. Com. Rep. 60-14 on H.B. No. 2543**

The purpose of this measure is to issue special purpose revenue bonds of up to \$50,000,000 for BioTork Hawaii LLC for the development and operation of a facility to convert agricultural crops and by-products to biofuels and high-protein feed.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2543, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2543, S.D. 1, C.D. 1.

Representatives Lee, Cullen, Kawakami and Thielen.  
Managers on the part of the House.  
(Representative Thielen was excused.)

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

**Conf. Com. Rep. 61-14 on S.B. No. 2981**

The purpose of this measure is to promote and encourage innovation and entrepreneurship in Hawaii by incorporating those ideals into the policies, objectives, and priority guidelines of the Hawaii State Plan concerning the economy and information technology.

Your Committee on Conference finds that promoting and encouraging innovation and entrepreneurial activities will benefit the State and its economy by facilitating the creation of new businesses in Hawaii and attracting investment from outside the State.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2981, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2981, S.D. 2, H.D. 1, C.D. 1.

Representatives Tsuji, Luke, Cachola, Wooley and Ward.  
Managers on the part of the House.

Senators Dela Cruz, Wakai, Ige, Kouchi and Slom.  
Managers on the part of the Senate.  
(Senators Ige and Slom were excused.)

**Conf. Com. Rep. 62-14 on S.B. No. 2895**

The purpose of this measure is to authorize the Department of Taxation to use funds from the tax administration special fund for taxpayer education programs.

Your Committee on Conference finds that this measure will allow the Department of Taxation to use funds from the tax administration special fund to develop, implement, and provide taxpayer education programs, including tax publications. Accordingly, your Committee on Conference believes that the increased support for taxpayer education provided by this measure will encourage and facilitate voluntary compliance with the State's tax laws.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2895, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2895, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Cullen, Hashem and Johanson.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 63-14 on S.B. No. 2411**

The purpose of this measure is to repeal references in the Hawaii Revised Statutes to "subsidy" or "subsidies" as a type of funding award that may be made to a private organization or individual for a public purpose.

Your Committee on Conference finds that no substantive difference exists in the Hawaii Revised Statutes between a "grant" and a "subsidy", and that the terms "subsidy" and "subsidies" are therefore unnecessary and potentially confusing and should be deleted. Your Committee on Conference further finds that deleting existing references to this term would make the Hawaii Revised Statutes more clear and concise.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2411, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2411, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Jordan and Johanson.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 64-14 on S.B. No. 2779**

The purpose of this measure is to specifically authorize the Department of Taxation to release certain otherwise confidential information to the Office of the Auditor in order for the Auditor to conduct its Comprehensive Annual Financial Report of the State.

This measure also requires the Auditor and the Auditor's authorized agents to maintain the confidentiality of the disclosed information.

Your Committee on Conference finds that section 23-5, Hawaii Revised Statutes, authorizes the Auditor to conduct audits of all departments, offices, and agencies of the State and its political subdivisions. Your Committee on Conference notes that concerns have been raised regarding the Department of Taxation's authority to disclose tax returns and other tax records on file with the Department of Taxation that the Auditor requires to conduct the Comprehensive Annual Financial Report of the State. Your Committee on Conference believes that this measure will provide the Department of Taxation with clear authority to disclose tax return information to the Office of the Auditor for the purposes of conducting the Comprehensive Annual Financial Report of the State, while ensuring that taxpayer information remains confidential.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2779, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2779, S.D. 1, H.D. 1, C.D. 1.

Representatives Luke, Hashem, Nishimoto and Johanson.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 65-14 on S.B. No. 2820**

The purpose of this measure is to:

- (1) Implement requirements of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act) by:

- (A) Prohibiting rescission of coverage under a health benefit plan except in cases of fraud, misrepresentation, or failure to make required payments; and
- (B) Requiring written notice prior to rescission;
- (2) Clarify that companies with general casualty insurance authority can only write accident and health or sickness insurance as incidental or supplemental coverage;
- (3) Clarify the Insurance Commissioner's retention requirements for tax records of surplus lines brokers and independently procured insureds;
- (4) Specify the authority of the Insurance Fraud Investigations Branch to take appropriate action on insurance fraud complaints;
- (5) Include long-term care insurance as part of limited benefit health insurance;
- (6) Ensure that Article 11A of the Insurance Code applies to risk retention captive insurance companies;
- (7) Ensure conformity with the Affordable Care Act by mandating parity between medical and surgical benefits and benefits for alcohol use disorder, substance use disorder, and mental health treatment services and repealing conflicting or obsolete language;
- (8) Make housekeeping amendments to the State's Insurance Code; and
- (9) Make other amendments to conform to National Association of Insurance Commissioners model laws.

Your Committee on Conference finds that this measure streamlines and improves the operations of the Insurance Division of the Department of Commerce and Consumer Affairs, ensures the Insurance Division complies with the Affordable Care Act, and ensures the Insurance Division retains National Association of Insurance Commissioners accreditation.

Your Committee on Conference has amended this measure by:

- (1) Inserting an effective date of July 1, 2014; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2820, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2820, S.D. 2, H.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Kobayashi, Yamashita and Matsumoto.  
Managers on the part of the House.  
(Representatives Yamashita and Matsumoto were excused.)

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

#### **Conf. Com. Rep. 66-14 on S.B. No. 2288**

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

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

Your Committee on Conference finds that in 2012, the Legislature passed Act 133, Session Laws of Hawaii 2012 (Act 133), which sought to clarify or resolve conflicting or inconsistent language in different sections of law and to amend or repeal various sections of chapter 302A, HRS. This measure continues to amend or repeal various sections of chapter 302A, HRS, for housekeeping or other purposes.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have defined "license" in section 302A-101, HRS;
- (2) Removing amendments relating to the terms of the members of the Board of Education;
- (3) Removing amendments relating to an employer or prospective employer's authority to refuse to issue and to revoke a teaching or other educational certificate;

- (4) Removing amendments relating to the Hawaii 3R's school repair and maintenance fund;
- (5) Making this measure effective upon its approval; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2288, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2288, S.D. 2, H.D. 1, C.D. 1.

Representatives Takumi, Woodson, Say and Fale.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 67-14 on S.B. No. 3125**

The purpose of this measure is to require the Auditor to conduct a financial and management audit of the State Foundation on Culture and the Arts.

Your Committee on Conference finds that improvements should be made to the organization and operation of the State Foundation on Culture and the Arts. A financial and management audit will provide guidance to the State Foundation on Culture and the Arts as it clarifies its role and duties and improves operations.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2030, to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3125, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3125, S.D. 2, H.D. 2, C.D. 1.

Representatives Takai, Tokioka, Ito and Ward.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 68-14 on S.B. No. 2483**

The purpose of this measure is to:

- (1) Clarify that a condominium board may assess unpaid common expenses against any purchaser who purchases a delinquent unit in a foreclosure; and
- (2) Specify that a condominium board may only fill board vacancies temporarily until the next annual or duly noticed election.

Your Committee on Conference finds that when section 514B-146, Hawaii Revised Statutes, was amended in 2013 to specify that an association's six-month special assessment would be paid upon closing of a foreclosure sale, the term "other purchaser" was inadvertently left out of the amended statute. This measure corrects that error. Your Committee on Conference further finds that this measure will help reduce disputes regarding vacancies on condominium boards by clarifying the procedure for filling these vacancies.

Your Committee on Conference has amended this measure by:

- (1) Making an additional amendment to section 514B-146, Hawaii Revised Statutes, to specify that a condominium association's lien for unpaid assessments is subordinate to real property taxes, rather than all taxes, and updating the purpose section of part I of this measure accordingly; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2483, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2483, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Rhoads, Jordan, Evans, Ito and McDermott.  
Managers on the part of the House.  
(Representatives Ito and McDermott were excused.)

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

**Conf. Com. Rep. 69-14 on H.B. No. 2009**

The purpose of this measure is to safeguard and protect the State's milk industry by requiring the Milk Control Special fund to have a reserve in an unspecified amount to be used for contingency cost items, including audits, incurred in the administration of the Hawaii Milk Control Act.

Your Committee on Conference has amended this measure by:

- (1) Establishing the minimum reserve amount for contingent cost items at \$300,000; and
- (2) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2009, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2009, S.D. 1, C.D. 1.

Representatives Wooley, Onishi, Tokioka and Matsumoto.  
Managers on the part of the House.

Senators Nishihara, Kouchi and Wakai.  
Managers on the part of the Senate.

**Conf. Com. Rep. 70-14 on H.B. No. 2288**

The purpose of this measure is to amend the Hawaiian Homes Commission Act to allow the Department of Hawaiian Home Lands to dispose of department-owned or department-controlled improvements or portions thereof on Hawaiian home lands through direct negotiations and at fair market rents for a term not to exceed five years.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2288, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2288, H.D. 1, S.D. 1, C.D. 1.

Representatives Hanohano, Evans, Cullen, Say and Fale.  
Managers on the part of the House.

Senators Shimabukuro, Solomon, Kidani, Galuteria and Slom.  
Managers on the part of the Senate.  
(Senators Solomon and Slom were excused.)

**Conf. Com. Rep. 71-14 on H.B. No. 2598**

The purpose of this measure is to support public schools in Hawaii by:

- (1) Renaming the Hawaii 3R's School Repair and Maintenance Fund as the Hawaii 3R's School Improvement Fund;
- (2) Requiring the Department of Education to transfer moneys collected pursuant to section 235-102.5(b), Hawaii Revised Statutes, to the Hawaii 3R's School Improvement Fund; and
- (3) Authorizing the Department of Education to transfer any other moneys received in the form of grants and donations for school-level improvements and minor repairs and maintenance to the Hawaii 3R's School Improvement Fund.

Your Committee on Conference has amended the bill by:

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2598, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2598, H.D. 1, S.D. 2, C.D. 1.

Representatives Ohno, Woodson and Fale.  
Managers on the part of the House.

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

**Conf. Com. Rep. 72-14 on H.B. No. 866**

The purpose of this measure is to provide for the proper operation and maintenance of critical infrastructure servicing Hawaiian home lands by:

- (1) Affirming the counties' jurisdiction over and responsibility for existing sewer transmission lines and other sewerage facilities servicing Hawaiian home lands and specifying certain operational duties of the counties; and
- (2) Requiring the counties to accept the license or dedication and ownership of any additional sewer transmission lines and sewerage facilities servicing Hawaiian home lands upon demand by the department of Hawaiian home lands, subject to compliance with federal, state, and local environmental, design, and construction requirements.

Your Committee on Conference has amended this measure by specifying that the Department of Hawaiian Home Lands shall be responsible for bringing sewer lines and sewerage facilities into compliance with all applicable environmental, design, and construction requirements prior to acceptance of license or dedication and ownership by the counties.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 866, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 866, H.D. 2, S.D. 2, C.D. 1.

Representatives Evans, Hanohano, Nishimoto and Fale.  
Managers on the part of the House.  
(Representative Fale was excused.)

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

**Conf. Com. Rep. 73-14 on H.B. No. 2509**

The purpose of this measure is to appropriate funds to assist communities affected by discarded or abandoned tires by providing funds for programs promoting the removal of abandoned tires that have been illegally dumped from the landscape, including funding county abandoned tire removal programs.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$50,000; and
- (2) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2509, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2509, H.D. 1, S.D. 2, C.D. 1.

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

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

**Conf. Com. Rep. 74-14 on H.B. No. 1951**

The purpose of this measure is to extend the time within which special purpose revenue bonds may be issued for the design and construction of the seawater air conditioning district cooling system in downtown Honolulu.

Your Committee on Conference has amended this measure by changing its effective date to June 29, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1951, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1951, H.D. 1, S.D. 2, C.D. 1.

Representatives McKelvey, Nishimoto, Lee and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 75-14 on H.B. No. 2003**

The purpose of this measure is to appropriate funds to the Department of Defense to establish in chapter 128, Hawaii Revised Statutes, a Hawaii Cybersecurity, Economic, Education, and Infrastructure Security Coordinator (Coordinator) position to coordinate efforts on and recommend improvements to the State's cybersecurity and cyber resiliency.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Coordinator position shall be established in a new chapter of the Hawaii Revised Statutes instead of chapter 128, Hawaii Revised Statutes;
- (2) Specifying that, notwithstanding any law to the contrary, the Coordinator shall develop certain requirements and methods;
- (3) Inserting an appropriation amount of \$200,000;
- (4) Changing the effective date to July 1, 2014; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2003, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2003, H.D. 1, S.D. 1, C.D. 1.

Representatives McKelvey, Nishimoto, Hashem and McDermott.  
Managers on the part of the House.

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

**Conf. Com. Rep. 76-14 on H.B. No. 1564**

The purpose of this measure is to recognize the sacrifices made by the men and women of the armed forces of the United States and continue to honor their memory by properly maintaining the statewide network of veterans' cemeteries. Specifically, this bill requires the counties to obtain approval from the Office of Veterans' Services prior to any action that may negatively impact the State's financial obligation to establish and maintain veterans' cemeteries or imperil the receipt of federal funding for that purpose.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1564, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1564, H.D. 1, S.D. 1, C.D. 1.

Representatives Takai, Luke, Ito and Ward.  
Managers on the part of the House.  
(Representative Ito was excused.)

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

**Conf. Com. Rep. 77-14 on H.B. No. 1772**

The purpose of this measure is to increase access to quality health care for veterans of the United States Armed Services by exempting from the General Excise Tax, amounts received by a contractor of the Patient-Centered Community Care Program established by the United States Department of Veterans Affairs for costs or advances to third-party providers pursuant to a contract with the United States.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1772, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1772, H.D. 1, S.D. 1, C.D. 1.

Representatives Takai, Belatti, Nishimoto and Ward.  
Managers on the part of the House.  
(Representative Ward was excused.)

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

**Conf. Com. Rep. 78-14 on H.B. No. 2051**

The purpose of this measure is to continue the work initiated to honor the late U.S. Senator Daniel K. Inouye and the late U.S. Representative Patsy T. Mink through commissioning permanent works of art to honor their legacies and their contributions to the people of Hawaii. Specifically, this measure amends Act 281, Session Laws of Hawaii 2013, by:

- (1) Clarifying that the permanent work of art portraying the life, vision, accomplishments, impact, and legacy of Senator Daniel K. Inouye need not be a three-dimensional work of art;
- (2) Clarifying that the designs for the works of art portraying Senator Daniel K. Inouye and Representative Patsy T. Mink need not include their likeness at some stage of their life;
- (3) Deleting the requirement that the work of art portraying Senator Daniel K. Inouye be installed for unveiling on the second anniversary of his death;
- (4) Appropriating an unspecified sum for the 2013-2015 fiscal biennium to commission the works of art; and
- (5) Changing the expending agency for the funds for the commissioning of artwork from the Department of Accounting and General Services to the State Foundation on Culture and the Arts.

Your Committee on Conference has amended this measure by:

- (1) Reinserting the sum of \$250,000, originally appropriated for each year of the 2013-2015 fiscal biennium, and specifying that this sum be appropriated only for the 2014-2015 fiscal year; and
- (2) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2051, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2051, H.D. 1, S.D. 2, C.D. 1.

Representatives Takai, Tokioka, Awana and Ward.  
Managers on the part of the House.

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

**Conf. Com. Rep. 79-14 on S.B. No. 3093**

The purpose of this measure is to appropriate funds to the University of Hawaii at Hilo to establish staff positions within the 'Imiloa Astronomy Center and support the University of Hawaii at Hilo's memorandum of understanding with the Revealing Individual Strengths for Excellence (RISE) 21st Century After School Program.

Your Committee on Conference finds that pursuant to S.C.R. No. 132, S.D. 1, Regular Session of 2013, the University of Hawaii at Hilo, through its 'Imiloa Astronomy Center and Division of Academic Affairs, entered into a memorandum of understanding with the RISE 21st Century After School Program, a program that helps underprivileged children of Hawaiian ancestry with life skills, academic success, and career planning. This measure will provide funding to support the University of Hawaii at Hilo's memorandum of understanding with the RISE 21st Century After School Program.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$200,000 to support the University of Hawaii at Hilo's memorandum of understanding with RISE 21st Century After School Program;
- (2) Removing all references to a full time equivalent youth program specialist, a full time equivalent experience director for education programs, curriculum development, supplies, travel, and equipment;
- (3) Inserting an effective date of July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3093, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3093, S.D. 1, H.D. 1, C.D. 1.

Representatives Choy, Onishi, Ichiyama, Lowen and Matsumoto.  
Managers on the part of the House.  
(Representative Lowen was excused.)

Senators Taniguchi, Keith-Agaran, Kahele, L. Thielen and Slom.  
Managers on the part of the Senate.  
(Senator Slom was excused.)

**Conf. Com. Rep. 80-14 on S.B. No. 2486**

The purpose of this measure is to amend provisions relating to private guards and individuals acting in a guard capacity by:

- (1) Delaying the continuing education requirement by two years, thereby making the requirement effective prior to the June 30, 2016, renewal cycle;
- (2) Making permanent the registration and licensure requirements for private guards and individuals acting in a guard capacity by repealing the sunset date of Act 208, Session Laws of Hawaii 2010 (Act 208); and
- (3) Exempting loss prevention agents from private guard registration and licensure requirements.

Your Committee on Conference finds that this measure ensures the continued competency and professionalism of private security guards and individuals acting in a guard capacity by repealing the sunset date of Act 208, which requires private security guards and individuals acting in a guard capacity to register as a guard with the Board of Private Detectives and Guards (Board) and meet registration, instruction, and training requirements prior to acting as a guard.

Your Committee on Conference further finds that the Board and the private detective and guard industry concur that four hours of continuing education every two years, including a refresher component on professional image and aloha training, rather than four hours of continuing education each year, is sufficient to refresh guard employees on important training concepts included in the initial eight-hour training curriculum and ensure guard employees keep abreast of current trends in the guard industry.

Your Committee on Conference has amended this measure by:

- (1) Amending the continuing education requirement to four hours every two years, rather than four hours every year;
- (2) Removing language that would have exempted loss prevention agents from private guard registration and licensure requirements;
- (3) Inserting an effective date of June 29, 2014;
- (4) Amending the purpose section; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

Representatives McKelvey, Nishimoto, Onishi, Tsuji, Yamashita and Thielen.  
Managers on the part of the House.  
(Representatives Yamashita and Thielen were excused.)

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

**Conf. Com. Rep. 81-14 on S.B. No. 2260**

The purpose of this measure is to:

- (1) Specify that no provision of chapter 104, Hawaii Revised Statutes, may be contravened or set aside by private contract;
- (2) Increase the penalties imposed on a contractor who interferes with or delays a Department of Labor and Industrial Relations investigation to determine compliance with the wages and hours of employees on public works law to \$10,000 per project and \$1,000 per day;
- (3) Hold a general contractor secondarily liable for the payment of back wages assessed against contractors on a public works construction project;
- (4) Specify that any payment of back wages and penalties made by a governmental contracting agency shall not be deemed to be a breach of contract and shall not excuse the contractor from completing the project for the contract price and by the contract completion deadline;
- (5) Specify that a notification of violation shall be final and conclusive unless the contractor files a written notice of appeal with the Director of Labor and Industrial Relations within twenty-one days after a copy was sent to the contractor;
- (6) Through June 30, 2018, increase the suspension period from three to five years for a third violation by a person or firm who violates the state law relating to wages and hours of employees on public works;
- (7) Through June 30, 2018, add a governmental contracting agency and the general contractor, in the case of a suspended subcontractor, as entities that the Director of Labor and Industrial Relations must notify of any suspension order; and

- (8) Through June 30, 2018, require reports to the Legislature from the Department of Labor and Industrial Relations on enforcement information regarding suspensions, back wages, and fines imposed and collected.

Your Committee on Conference finds that when contractors comply with the State's wages and hours of employees on public works law, codified as chapter 104, Hawaii Revised Statutes, there is a level playing field for bidding on state and county projects. This measure assists the Department of Labor and Industrial Relations in enforcing chapter 104, Hawaii Revised Statutes, and encourages contractors to comply with the law.

Your Committee on Conference has amended this measure by:

- (1) Removing language that would have held a general contractor secondarily liable for the payment of back wages assessed against contractors on public works construction projects;
- (2) Removing language that specified that any payment of back wages and penalties made by a governmental contracting agency shall not be deemed to be a breach of contract and shall not excuse the contractor from completing a project for the contract price and by the contract completion deadline;
- (3) Removing language that would have increased the suspension period from three to five years for a third violation by a person or firm who violated the state law relating to wages and hours of employees on public works;
- (4) Removing the requirement for the Department of Labor and Industrial Relations to submit reports to the Legislature on enforcement information regarding suspensions, back wages, and fines imposed and collected;
- (5) Inserting an effective date of July 1, 2014, removing the sunset date for various provisions, and noting that this measure shall apply to all contracts entered into on or after the effective date of this measure; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2260, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2260, S.D. 2, H.D. 2, C.D. 1.

Representatives Nakashima, Yamashita, Cullen and Johanson.  
Managers on the part of the House.

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

#### **Conf. Com. Rep. 82-14 on S.B. No. 3065**

The purpose of this measure is to appropriate funds to investigate the possibility of exchanging state land for land owned by Dole Food Company, Inc., and for costs of executing the exchange.

Your Committee on Conference finds that there is a continuing need to protect and preserve unique natural assets, both for the enjoyment of future generations and to establish base lines for environmental impact. The present system of preserves, sanctuaries, and refuges must be strengthened, and additional areas of land suitable for agriculture and preservation should be set aside.

Your Committee on Conference has amended this measure by:

- (1) Amending findings to more accurately identify the total acreage and sales price of the agricultural and conservation lands owned by Dole Food Company, Inc.;
- (2) Inserting language to require the consideration of the market value of state lands when investigating the possibility of acquiring land owned by Dole Food Company, Inc., through an exchange;
- (3) Changing the source of appropriation from general revenues to the land conservation fund;
- (4) Inserting an appropriation amount of \$500,000 to investigate the possibility of exchanging state land for land owned by Dole Food Company, Inc., and for costs of executing the exchange;
- (5) Inserting language to require the Department of Budget and Finance, as the expending agency, to coordinate with the Department of Accounting and General Services and Department of Land and Natural Resources;
- (6) Changing the effective date to July 1, 2014; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3065, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3065, S.D. 1, H.D. 1, C.D. 1.

Representatives Evans, Luke and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 83-14 on S.B. No. 3042**

The purpose of this measure is to:

- (1) Remove the restriction that a class 14 brewpub licensee manufacture not more than thirty thousand barrels of malt beverages on the licensee's premises during the license year;
- (2) Increase the manufacturing limit for class 16 winery licensees to not more than twenty thousand barrels of wine on the licensee's premises during the license year;
- (3) Establish a new class 18 liquor license class for small craft producer pubs;
- (4) Prohibit brewpub and small craft producer pubs from selling intoxicating liquor purchased from class 1 manufacturer licensees for consumption on the premises; and
- (5) Make conforming amendments relating to liquor license classes and federal labeling and bottling requirements.

Your Committee on Conference finds that this measure removes unnecessarily restrictive limitations on malt beverages manufactured by small breweries and creates a new license class that will enable small producers to diversify their product lines. Your Committee on Conference further finds that this measure supports the growth of small businesses, which will have a positive impact on local economic development.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3042, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3042, S.D. 2, H.D. 1, C.D. 1.

Representatives McKelvey, Luke, Evans, Ing and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 84-14 on S.B. No. 2308**

The purpose of this measure is to appropriate funds to the Department of Public Safety for programs and services that support the children of incarcerated parents and help with family reunification.

Your Committee on Conference finds that providing support to incarcerated and recently released parents and their children helps strengthen families and benefits society by reducing recidivism and improving child development. This measure supports programs and services of the Department that address family core issues and enables the Department to expand its programs and services to all willing inmates who may have children that have been emotionally or behaviorally affected by the incarceration of a parent.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$125,000; and
- (2) Inserting an effective date of July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2308, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2308, S.D. 1, H.D. 1, C.D. 1.

Representatives Aquino, Ing, Takayama and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

Senators Chun Oakland, Espero, Kidani, L. Thielen and Slom.  
Managers on the part of the Senate.  
(Senators Espero and Slom were excused.)

**Conf. Com. Rep. 85-14 on S.B. No. 2057**

The purpose of this measure is to extend the repeal date and improve the nursing facility sustainability program by:

- (1) Extending the sunset date of the nursing facility sustainability program to June 30, 2015; and
- (2) Appropriating funds out of the nursing facility sustainability program special fund for fiscal year 2014-2015.

Your Committee on Conference finds that nursing facilities are a critical part of the long-term safety net for the State's aging population and that funding the nursing facility sustainability program is necessary to increase the sustainability of nursing facilities in Hawaii. Your Committee on Conference further finds that without an exemption from the central service expenses assessment, the nursing facility sustainability program will have to pay approximately \$500,000 per year, which inhibits the program's ability to sustain nursing facilities and improve services to Medicaid recipients.

Your Committee on Conference has amended this measure by:

- (1) Adding a provision to exempt the nursing facility sustainability program special fund from the central service expenses assessment;
- (2) Inserting an appropriation amount of \$12,000,000;
- (3) Inserting an effective date of June 29, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2057, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2057, S.D. 2, H.D. 1, C.D. 1.

Representatives Carroll, Belatti, Kobayashi, Morikawa and Fukumoto.  
Managers on the part of the House.

Senators Chun Oakland, Kidani, Green, Keith-Agaran and Slom.  
Managers on the part of the Senate.  
(Senators Keith-Agaran and Slom were excused.)

**Conf. Com. Rep. 86-14 on S.B. No. 2345**

The purpose of this measure is to protect Hawaii's kupuna from financial fraud and abuse by appropriating funds to the Department of Commerce and Consumer Affairs for educational outreach targeted at kupuna, particularly in the areas of indexed annuities, life-settlement annuities, variable annuities, and Ponzi schemes.

Your Committee on Conference finds that elderly citizens are often victimized by sophisticated investment frauds. Fighting fraud and abuse against the elderly is a critical issue in Hawaii due to the State's rapidly growing elderly population. The State is in need of more programs like the investor education program within the Department of Commerce and Consumer Affairs that educate kupuna on how to make wise choices when investing and how to detect financial fraud.

Your Committee on Conference has amended this measure by inserting an appropriation amount of \$50,000.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2345, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2345, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Luke, Morikawa, Takayama and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 87-14 on S.B. No. 2470**

The purpose of this measure is to:

- (1) Designate the Hawaii Health Connector (Connector) as the official State of Hawaii health insurance exchange;
- (2) Establish advisory groups to advise the Connector Board of Directors (Board);
- (3) Create the Hawaii Health Connector Legislative Oversight Council to review the financial and operational plans of the Connector;
- (4) Permit certified insurance agents and brokers to be compensated for enrolling individuals and employers in qualified plans through the Connector;

- (5) Require the Connector Board to submit a sustainability plan to the Oversight Council and the Insurance Commissioner;
- (6) Establish the Hawaii health insurance exchange special fund;
- (7) Expanding the ability of the Connector to generate revenue;
- (8) Amend the membership and composition of the Connector Board; and
- (9) Appropriate funds for the operations of the Connector.

Your Committee on Conference finds that the Hawaii Health Connector is the designated health insurance exchange for the State of Hawaii and is charged with the responsibility of implementing applicable parts of the federal Patient Protection and Affordable Care Act of 2010 (Affordable Care Act). Your Committee on Conference further finds that the successful and efficient operation of the Connector is essential for the State, health insurers, and insured persons in Hawaii to comply with the new requirements of the Affordable Care Act. The sustainability of the Hawaii Health Connector is also critical to ensure the continued applicability of Hawaii's Prepaid Health Care Act.

Your Committee on Conference additionally finds that evolving federal health care regulations and the need for greater transparency and oversight over the Connector necessitate that the State revise the structure of the Connector's Board of Directors and require the Legislature to take a proactive oversight role to monitor the Connector. Finally, your Committee on Conference finds that this measure clarifies the status of the Connector as the official health insurance exchange for the State; provides for greater transparency and legislative oversight in the Connector; and provides for the sustainability of the Connector and, by extension, the Hawaii Prepaid Health Care Act.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that would have established a consumer, patient business, and health care advisory group, a health insurer advisory group, and an insurance producers advisory group;
- (2) Amending the name of the Hawaii Health Connector Oversight Council to the Connector Legislative Oversight Committee (Oversight Committee) and amending the composition and the duties of the Oversight Committee;
- (3) Requiring the Hawaii Health Connector Board of Directors (Board) to prepare and submit to the Oversight Committee a report with updates on the sustainability plan of the Connector, including specific efforts to reduce costs related to contracted services and other actions; copies of any federal audits; and copies of the annual financial statements of the Connector;
- (4) Clarifying the contents of the sustainability plan the Board must submit to the Oversight Committee, including a detailed sustainability plan that includes a three-year budget projection for the upcoming three fiscal years;
- (5) Removing language that permitted the Board to recommend to the Governor legislative action, if necessary, for the Connector;
- (6) Specifying that Connector-certified insurance agents and brokers are permitted to enroll individuals and employers in qualified plans through the Connector, and noting that if a health insurance plan utilizes and compensates an insurance agent or broker, the Connector shall not be responsible for any compensation to that agent or broker that sells a qualified health plan through the Connector;
- (7) Deleting language that would have established a Hawaii Health Insurance Exchange special fund;
- (8) Requiring the Connector to submit the results of the Connector's annual audit to the Legislature, in addition to the Insurance Commissioner and requiring the annual audit to comply with standard accounting practices for reviewing nonprofit corporations;
- (9) Clarifying the Connector's ability to generate revenue, including permitting the Connector to sell or lease its information technology infrastructure and services to other separate non-Connector programs;
- (10) Amending the membership and composition of the Connector Board, including:
  - (A) Stating that the Board shall be composed of nine voting members and five ex officio members;
  - (B) Removing members representing insurers and dental benefit providers from the Board but permitting the Board to establish a subcommittee of representatives from all providers of health care insurance and dental benefits;
  - (C) Permitting the Board to establish other subcommittees to assist the Connector with implementation of the Affordable Care Act, as appropriate;
  - (D) Clarifying procedures for making appointments and filling vacancies on the Board, including requiring the Board, Speaker of the House of Representatives, and President of the Senate to each submit to the Governor the names of two qualified nominees for each vacant position on the Board;
  - (E) Clarifying the areas of education, training, or professional experience that members of the Board must possess;
  - (F) Requiring all but one of the state agency representatives on the Board to be ex officio nonvoting members and specifying the list of state representatives from which the Governor may designate an official state representative to serve as an ex officio voting member of the Board; and
  - (G) Requiring any changes to the Board structure and governance to be in compliance with federal law;

- (11) Repealing the requirement for the Department of Human Services to determine Medicaid eligibility for purposes of purchasing plans from the Connector;
- (12) Deleting language that would have appropriated: general funds for necessary expenses incurred by members of certain advisory groups; general funds to the Hawaii health insurance exchange special fund; and funds out of the Hawaii health insurance exchange special fund;
- (13) Inserting a general fund appropriation of \$1,500,000 for the operations of the Connector, to be expended by the Department of Commerce and Consumer Affairs; provided that the funds shall be expended only after the Connector amends its articles of incorporation or bylaws to bring the Connector into compliance with section 435H-4, Hawaii Revised Statutes;
- (14) Updating the purpose section;
- (15) Inserting an effective date of July 1, 2014; provided that the provisions in this measure that amend the composition of the Connector Board shall take effect on October 1, 2014; and
- (16) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2470, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2470, S.D. 1, H.D. 1, C.D. 1.

Representatives Belatti, McKelvey, Luke, Nishimoto, Yamashita and Johanson.  
Managers on the part of the House.  
(Representatives Yamashita and Johanson were excused.)

Senators Baker, Ige, Green, Kouchi, Taniguchi and Wakai.  
Managers on the part of the Senate.  
(Senators Taniguchi and Wakai were excused.)

**Conf. Com. Rep. 88-14 on S.B. No. 702**

The purpose of this measure is to combat internet crimes against children by:

- (1) Establishing an internet crimes against children fee, which shall be assessed against a defendant for each felony or misdemeanor conviction of internet crimes against children;
- (2) Establishing an internet crimes against children special fund intended to enable law enforcement to investigate and prosecute such crimes and to assist groups working directly to fight such crimes; and
- (3) Making an appropriation to the internet crimes against children special fund and from the special fund for training and equipment, investigation and prosecution of internet crimes against children, and combatting such crimes.

Your Committee on Conference finds that in 2008, USA Today reported that the Internet Crimes Against Children Task Forces had identified 2,297 unique computers in Hawaii trading sadistic images of infants and toddlers being tied up, tortured, and raped. Due to limited funds, equipment, and training, only a very small percentage of investigative leads related to such crimes are examined every month. Your Committee on Conference finds that imposing a fee on every defendant convicted of a felony or misdemeanor for internet crimes against children will help to establish funding to enhance the investigation and prosecution of such crimes and protect Hawaii's children.

Your Committee on Conference has amended this measure by:

- (1) Inserting an internet crimes against children fee amount of up to \$100 for each felony or misdemeanor conviction for internet crimes against children;
- (2) Inserting an appropriation amount of \$62,500 to be deposited from general revenues into the internet crimes against children special fund and from the special fund for training and equipment, investigation and prosecution of internet crimes against children, and combatting such crimes; and
- (3) Inserting an effective date of July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 702, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 702, S.D. 2, H.D. 2, C.D. 1.

Representatives Carroll, Rhoads, Kobayashi, Har and Fukumoto.  
Managers on the part of the House.  
(Representative Kobayashi was excused.)

Senators Chun Oakland, Wakai, Hee, Kidani and Ihara.  
Managers on the part of the Senate.  
(Senators Ihara and Wakai were excused.)

**Conf. Com. Rep. 89-14 on H.B. No. 2611**

The purpose of this measure is to:

- (1) Establish a State Capitol Management Committee to oversee the financing and governance of the Hawaii State Capitol and its grounds and facilities; and
- (2) Appropriate an unspecified amount to be expended by the Department of Accounting and General Services for the establishment and operation of the State Capitol Management Committee.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation; and
- (2) Changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2611, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2611, S.D. 2, C.D. 1.

Representatives Nishimoto, Luke and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 90-14 on H.B. No. 1539**

The purpose of this measure is to provide fair opportunities for people on the waiting list to receive Housing Choice Voucher Program (Program) vouchers by requiring the Hawaii Public Housing Authority to automatically terminate the vouchers upon the death or removal from assistance of the last household member, or when the surviving minor of the last household member reaches the age of 21 or 23 if the minor is a full-time student.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the voucher shall be automatically returned to the Hawaii Public Housing Authority upon the death or removal from assistance of the last original household member;
- (2) Requiring legal guardians who care for minors in the household to be eligible for participation in the Program in order to be added to the household for Program purposes; and
- (3) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1539, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1539, H.D. 1, S.D. 2, C.D. 1.

Representatives Hashem, Woodson, Kobayashi, Oshiro and Ward.  
Managers on the part of the House.

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

**Conf. Com. Rep. 91-14 on H.B. No. 648**

The purpose of this measure is to repeal or reduce appropriations made in the Regular Session of 2013 to:

- (1) More accurately reflect the expending agencies' expenditure plans for fiscal year 2013-2014; and
- (2) Allow the savings from unexpended and unencumbered funds to be expressly and efficiently identified in the carryover balance for fiscal year 2014-2015 in the state financial plan.

This measure also authorizes the transfer of excess funds from the medicaid investigations recovery fund to the general fund.

Your Committee on Conference has amended this measure by:

- (1) Reducing the amount that the Director of Finance may transfer from the medicaid investigations recovery fund to the general fund from \$1,500,000 to \$1,000,000;
- (2) Authorizing the Director of Finance to transfer funds from the medicaid investigations recovery fund to the general fund in fiscal year

2013-2014 rather than 2014-2015; and

- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 648, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 648, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Nishimoto, Yamashita and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 92-14 on H.B. No. 2427**

The purpose of this measure is to repeal several unused or inactive non-general funds with very low balances or no activity in recent years.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2427, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2427, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Nishimoto, Woodson and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 93-14 on H.B. No. 1931**

The purpose of this measure is to protect Hawaii's macadamia nut industry by preventing the spread of macadamia felted coccid infestations.

Specifically, the measure appropriates funds for:

- (1) The Department of Agriculture; and
- (2) The College of Tropical Agriculture and Human Resources at the University of Hawaii at Manoa, to research and develop methods for the prevention and treatment of macadamia felted coccid infestations.

Your Committee on Conference finds that the macadamia felted coccid can cause severe damage to macadamia nut trees and that conventional pest control methods have failed to stop the spread of this destructive insect. Accordingly, your Committee on Conference believes that there is a need to appropriate funds to research and develop new pest control methods to prevent macadamia felted coccid from spreading throughout the State and causing costly damage to macadamia nut trees and the macadamia nut industry.

Your Committee on Conference has amended this measure by:

- (1) Inserting the amount of \$360,000 for the appropriation to the Department of Agriculture;
- (2) Deleting the appropriation for the College of Tropical Agriculture and Human Resources;
- (3) Changing the effective date to July 1, 2014; and
- (4) Making technical nonsubstantive amendments for purposes of consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1931, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1931, H.D. 1, S.D. 2, C.D. 1.

Representatives Wooley, Choy, Onishi, Ichiyama and Matsumoto.  
Managers on the part of the House.  
(Representatives Choy and Ichiyama were excused.)

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

**Conf. Com. Rep. 94-14 on H.B. No. 2147**

The purpose of this measure is to provide government agencies with flexibility in the negotiation of concession contracts by allowing exemptions from the public concession bidding process for airport and Stadium Authority contracts for electronic communication services and for advertising ("Concession Exemptions").

Your Committee on Conference has amended this measure by amending its effective date to take effect on approval, provided that the Concession Exemptions sunset on June 30, 2021.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2147, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2147, H.D. 1, S.D. 2, C.D. 1.

Representatives Yamane, McKelvey, Nishimoto, Takayama and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

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

**Conf. Com. Rep. 95-14 on H.B. No. 2273**

The purpose of this measure is to:

- (1) Authorize the Motor Vehicle Repair Industry Board to enter into agreements with entities, educational institutions, and other organizations to develop and administer a certification program for motor vehicle mechanics that will ensure that motor vehicle mechanics' knowledge, skills, and abilities are current and in line with industry standards; and
- (2) Allow the Motor Vehicle Repair Industry Board to accept certificates from a national certification program without contracting with the national certification program.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2273, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2273, S.D. 2, C.D. 1.

Representatives Yamane, McKelvey, Takayama, Aquino and McDermott.  
Managers on the part of the House.  
(Representative McDermott was excused.)

Senators Taniguchi, Baker, Keith-Agaran, Kidani and Slom.  
Managers on the part of the Senate.  
(Senators Kidani and Slom were excused.)

**Conf. Com. Rep. 96-14 on H.B. No. 1966**

The purpose of this measure is to require the State Auditor to report to the Legislature on the current state of the civil service exemption process and to recommend procedures, guidelines, and criteria to ensure that the exemption process is used appropriately and only in extraordinary circumstances.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1966, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1966, H.D. 1, S.D. 2, C.D. 1.

Representatives Nakashima, Ing, Ichiyama and Johanson.  
Managers on the part of the House.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 97-14 on H.B. No. 2038**

The purpose of this measure is to impose a human trafficking victim services fee upon individuals who are convicted of certain trafficking offenses and to establish a special fund for the fee.

Your Committee on Conference has amended this measure by:

- (1) Inserting the following caps on fee amounts:

- (A) \$5,000 when the offense is a class A felony;
  - (B) \$2,500 when the offense is a class B felony;
  - (C) \$1,000 when the offense is a class C felony;
  - (D) \$500 when the offense is a misdemeanor; and
  - (E) \$250 when the offense is a petty misdemeanor; and
- (2) Changing its effective date to upon approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2038, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2038, H.D. 1, S.D. 2, C.D. 1.

Representatives Ichiyama, Yamashita, Awana and Johanson.  
Managers on the part of the House.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 98-14 on H.B. No. 2400**

The purpose of this measure is to provide temporary disability benefits to employees who are disabled due to organ donation.

Your Committee on Conference has amended this measure by:

- (1) Deleting the conforming amendment to section 392-6, Hawaii Revised Statutes, regarding the definition of "individual in current employment";
- (2) Changing its effective date to July 1, 2014; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2400, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2400, S.D. 1, C.D. 1.

Representatives Nakashima, McKelvey, Nishimoto, Har, Hashem, Yamashita and Johanson.  
Managers on the part of the House.  
(Representative Har was excused.)

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 99-14 on S.B. No. 2346**

The purpose of this measure is to provide necessary services and support programs for the health and well-being of Hawaii's elder population by:

- (1) Appropriating funds to the Department of Health for the kupuna care program, aging and disability resource center, and healthy aging partnership program; and
- (2) Requiring the Executive Office on Aging to conduct a public education and awareness campaign on long-term care and appropriating funds for this purpose.

Your Committee on Conference finds that Hawaii's aging population is increasing at a rapid rate, and programs and services are needed to maintain the health and welfare of Hawaii's seniors and their caregivers. Your Committee on Conference further finds that the most successful programs for aging in place recognize and build upon integrated health and social services. Finally, your Committee on Conference recognizes the importance of educating Hawaii's residents with information about long-term care.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$4,200,000 for the kupuna care program;
- (2) Inserting an appropriation amount of \$1,900,000 for the aging and disability resource center;
- (3) Inserting an appropriation amount of \$476,772 for the healthy aging partnership program;
- (4) Inserting an appropriation amount of \$500,000 for the Executive Office on Aging to conduct a public education and awareness campaign on long-term care; and

- (5) Inserting an effective date of July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2346, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2346, S.D. 1, H.D. 2, C.D. 1.

Representatives Belatti, Luke, Awana, Kobayashi and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 100-14 on S.B. No. 2542**

The purpose of this measure is to restore the allocation of conveyance tax collections to the rental housing trust fund to fifty percent beginning July 1, 2014.

Your Committee on Conference finds that the creation of more affordable rental housing is critical to Hawaii's future. Rent costs have increased more than forty-five percent in Hawaii since 2005, and almost seventy-five percent of extremely low income households are spending more than half of their income on rent. In addition, rising housing costs are associated with increased homelessness and more local families at risk of becoming homeless. Your Committee on Conference finds that increasing the allocation of conveyance tax collections to the rental housing trust fund to fifty percent will yield significant funds which can be leveraged to build more affordable housing.

Your Committee on Conference has amended this measure by:

- (1) Adding language making this measure supersede any amendments made to Section 247-7, Hawaii Revised Statutes, relating to the allocation of conveyance tax collections, by H.B. No. 2059 or H.B. No. 2101, Regular Session of 2014, if passed by the Legislature during the Regular Session of 2014 in any form;
- (2) Inserting an effective date of July 1, 2014; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2542, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2542, S.D. 1, H.D. 1, C.D. 1.

Representatives Hashem, Evans, Nishimoto, Cullen and Ward.  
Managers on the part of the House.

Senators Chun Oakland, Ige, Keith-Agaran, Kidani and Taniguchi.  
Managers on the part of the Senate.  
(Senators Keith-Agaran and Kidani were excused.)

**Conf. Com. Rep. 101-14 on S.B. No. 632**

The purpose of this measure is to:

- (1) Establish environmental courts as divisions within the circuit courts to hear proceedings, including certain chapter 91, Hawaii Revised Statutes, proceedings arising from certain environmental laws; and
- (2) Require the Judiciary to report to the Legislature the total number of environmental-related cases filed in the last five years.

Your Committee on Conference finds that environmental disputes are currently dealt with in a variety of courts. This organizational structure inadvertently promotes inconsistent application of the wide variety of environmental laws. The continued maintenance and improvement of Hawaii's environment requires constant vigilance and continued stewardship to ensure its lasting beauty, cleanliness, and uniqueness and the stability of its natural systems, all of which enhance the mental and physical well-being of Hawaii's people.

Your Committee on Conference has amended this measure by:

- (1) Inserting findings related to the urgent need for environmental courts;
- (2) Inserting language to require environmental courts to be created as divisions of district courts in addition to circuit courts;
- (3) Inserting language to require the Chief Justice of the Supreme Court to designate an environmental judge or judges for each circuit and for a district court in each circuit;
- (4) Clarifying that the Chief Justice may temporarily assign an environmental court judge to preside in another circuit when the chief justice determines that the urgency of one or more cases in the circuit court or district court or the volume of the cases in the circuit court or district court so requires;

- (5) Clarifying that issues under the jurisdiction of the environmental courts may be assigned to the environmental courts from both circuit courts and district courts;
- (6) Inserting language to require the Judiciary to convene a working group to make recommendations to the Chief Justice regarding the implementation of environmental courts within the circuit and district courts of the State;
- (7) Clarifying that the term "environmental court" shall be substituted for the term "district court" in specified chapters of the Hawaii Revised Statutes;
- (8) Changing the effective date to July 1, 2015; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 632, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 632, S.D. 2, H.D. 1, C.D. 1.

Representatives Lee, Rhoads, Lowen, Ing and Thielen.  
Managers on the part of the House.  
(Representative Rhoads was excused.)

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

#### **Conf. Com. Rep. 102-14 on S.B. No. 2054**

The purpose of this measure is to:

- (1) Require health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for screening, diagnosis, and treatment of autism spectrum disorders up to an unspecified maximum benefit and maximum lifetime benefit for individuals under an unspecified age;
- (2) Require the University of Hawaii Economic Research Organization to contract for the performance of an actuarial analysis of the projected costs of providing insurance coverage for screening, diagnosis, and treatment of autism spectrum disorders; and
- (3) Appropriate funds to contract for the performance of the actuarial analysis.

Your Committee on Conference finds that applied behavior analysis is an effective and medically necessary treatment for autism that is supported by many organizations, including the United States Surgeon General, American Academy of Pediatrics, and Autism Society of America. However, many families with autistic children cannot afford the treatments. Your Committee on Conference further finds that an actuarial analysis of the projected costs of providing insurance coverage for autism spectrum disorder treatments will assist the State in determining how best to help families with autistic children.

Your Committee on Conference has amended this measure by:

- (1) Amending the findings section to clarify the purpose of the measure;
- (2) Deleting language that requires health insurers, mutual benefit societies, and health maintenance organizations to provide coverage for autism spectrum disorder treatments;
- (3) Requiring the Insurance Commissioner, instead of the University of Hawaii Economic Research Organization, to contract for the performance of the actuarial analysis and submit a report to the Legislature;
- (4) Inserting an appropriation amount of \$50,000;
- (5) Changing the expending agency to the Department of Commerce and Consumer Affairs, instead of the University of Hawaii;
- (6) Making the measure effective upon approval; provided that the appropriation takes effect on July 1, 2014; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2054, S.D. 3, H.D. 3, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2054, S.D. 3, H.D. 3, C.D. 1.

Representatives Belatti, McKelvey, Luke, Morikawa, Nishimoto and Fukumoto.  
Managers on the part of the House.

Senators Green, Baker, Chun Oakland, Keith-Agaran and Taniguchi.  
Managers on the part of the Senate.  
(Senator Taniguchi was excused.)

**Conf. Com. Rep. 103-14 on S.B. No. 2866**

The purpose of this measure is to make an emergency appropriation to the Hawaii Health Systems Corporation for necessary costs and operations.

Your Committee on Conference finds that the Hawaii Health Systems Corporation requires additional funding to meet the cost of collective bargaining pay raises and unanticipated Medicaid reimbursement cuts. Your Committee on Conference further finds that the Hawaii Health Systems Corporation requires additional funding to pay overdue accounts in the Kauai regions, as well as to continue to provide quality health care services through its hospitals without disrupting patient care.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$15,000,000;
- (2) Making the measure effective upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2866, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2866, S.D. 1, H.D. 1, C.D. 1.

Representatives Belatti, Luke, Morikawa, Woodson and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 104-14 on S.B. No. 2196**

The purpose of this measure is to:

- (1) Re-establish the energy systems development special fund;
- (2) Amend the amount of the environmental response, energy, and food security tax to be deposited into various existing funds;
- (3) Amend the purpose of the hydrogen investment capital special fund to be for the development of hydrogen production, storage, and dispensing infrastructure;
- (4) Require the Director of Finance to deposit an unspecified amount from the revenues of the environmental response, energy, and food security tax into the hydrogen investment capital special fund; and
- (5) Extend the repeal of various allocations of the environmental response, energy, and food security tax from 2015 to 2030.

Your Committee on Conference finds that re-establishing the energy systems development special fund will provide funding to support Hawaii projects important for achieving state energy goals, such as renewable power generation, advanced transportation, energy efficient end-use technologies, and the integration of systems to allow increased renewable use.

Your Committee on Conference has amended this measure by:

- (1) Specifying in the findings that the purpose of this measure is to:
  - (A) Re-establish the energy systems development special fund to be funded in part by revenues collected from the environmental response, energy, and food security tax; and
  - (B) Extend the allocation of revenues collected from the environmental response, energy, and food security tax to various special funds from June 30, 2015, to June 30, 2030;
- (2) Deleting language that would have amended the purpose of the hydrogen investment capital special fund to be for the development of hydrogen production, storage, and dispensing infrastructure;
- (3) Deleting language that would have amended the amount of the environmental response, energy, and food security tax to be deposited into various existing funds;
- (4) Deleting language that would have required the Director of Finance to deposit an unspecified amount from the revenues of the environmental response, energy, and food security tax into the hydrogen investment capital special fund;
- (5) Changing the effective date to July 1, 2014; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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

Conference is in accord with the intent and purpose of S.B. No. 2196, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2196, S.D. 2, H.D. 1, C.D. 1.

Representatives Lee, Luke, Wooley and Thielen.  
Managers on the part of the House.  
(Representative Wooley was excused.)

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

**Conf. Com. Rep. 105-14 on S.B. No. 3099**

The purpose of this measure is to:

- (1) Require, rather than permit, hiring to be done in accordance with civil service laws when the State Historic Preservation Division of the Department of Land and Natural Resources hires professional and technical staff; and
- (2) Require any civil service position exemptions created after July 1, 2014, to expire three years after their enactment unless affirmatively extended by the Legislature.

Your Committee on Conference finds that there are inequities between civil service exempt employees and civil service employees. For example, exempt employees do not receive step increases in compensation and are not protected from a reduction-in-force. The Hawaii Government Employees Association has stated that the number of voluntary conversions has been small, and therefore, the conversion process has not been effective. This measure mandates the conversion of exempt positions to civil service positions unless the exemption is extended by the Legislature in order to ensure fair and equitable compensation and benefits for all employees.

Your Committee on Conference has amended this measure by changing the effective date from July 1, 2114, to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 3099, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 3099, S.D. 1, H.D. 1, C.D. 1.

Representatives Nakashima, Yamashita, Ing and Johanson.  
Managers on the part of the House.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 106-14 on S.B. No. 2365**

The purpose of this measure is to:

- (1) Establish the requirements for the furnishing of all prescription drugs to an employee who sustains a work injury;
- (2) Establish a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price set by the original manufacturer of the dispensed prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy's Fundamental Reference as of the date of dispensing for all prescription drugs, including repackaged and relabeled drugs;
- (3) Require that any prescription drug that is not available at a major retail pharmacy within the State is not reimbursable;
- (4) Establish a reimbursement ceiling for compounded prescription drugs that does not exceed one hundred forty percent of the average wholesale price by gram weight of each underlying prescription drug, set by the original manufacturer of the underlying prescription drug as identified by its National Drug Code and published in the Red Book: Pharmacy's Fundamental Reference as of the date of compounding;
- (5) Require that all pharmaceutical claims submitted for repacked, relabeled, or compounded prescription drugs include the National Drug Code of the original manufacturer;
- (6) Establish a reimbursement ceiling that does not exceed one hundred forty percent of the average wholesale price set by the original manufacturer's National Drug Code number as listed in the Red Book: Pharmacy's Fundamental Reference of the prescription drug that is most closely related to the underlying drug product if the original manufacturer of an underlying drug product used in the repackaged, relabeled, or compounded prescription drugs is not provided or is unknown;
- (7) Require equivalent generic drug products to be substituted for brand name pharmaceuticals unless the prescribing physician certifies that a brand name pharmaceutical is necessary;
- (8) Add a definition of "equivalent generic drug product"; and
- (9) Clarify that the fees for injuries covered by personal injury protection benefits under section 431:10C-308.5, Hawaii Revised Statutes, shall not exceed the charges permissible under section 386-21, Hawaii Revised Statutes, or the new section in chapter 386, Hawaii

## Revised Statutes

Your Committee on Conference finds that Hawaii's existing reimbursement rates for pharmaceuticals in workers' compensation claims are among the highest in the nation for brand and generic products. Existing administrative rules allow pharmaceuticals to be charged to insurance carriers at up to one hundred forty percent of the average wholesale price listed in the Red Book: Pharmacy's Fundamental Reference. However, existing statute and administrative rules do not address the reimbursement of repackaged, relabeled, or compound medications. As a result, third-party companies are able to buy prescription drugs in bulk; repackaging, relabel, or compound the medications; and attach their own National Drug Code to the repackaged, relabeled, or compound medications with average wholesale prices that are higher than the average wholesale prices of the original manufacturers. Insurance carriers are then billed at one hundred forty percent of the higher average wholesale price, which results in higher charges. This measure clarifies reimbursement rates for repackaged, relabeled, and compounded medications and thereby assists the Department of Labor and Industrial Relations in reducing billing disputes involving the correct payments for prescription repackaged, relabeled, and compounded medications.

Your Committee on Conference has amended this measure by:

- (1) Clarifying in the purpose section that this measure does not restrict and is not intended to restrict the ability of any health provider other than a physician to dispense, bill for, and receive payment for prescription drugs that are reasonably needed as the nature of the injury requires;
- (2) Setting the reimbursement price for all forms of prescription drugs, including repackaged, relabeled, and compounded drugs, at exactly, rather than up to, one hundred forty percent of the average wholesale price set by the original manufacturer of the dispensed prescription drug;
- (3) Allowing the reimbursement price for repackaged, relabeled, and compound prescription drugs to be a lower amount if the employer or carrier, or any entity acting on behalf of the employer or carrier, directly contracts with the provider or the provider's assignee for the lower amount;
- (4) Deleting the language that would have prohibited reimbursement for any prescription drug not available at a major retail pharmacy;
- (5) Changing the effective date from July 1, 2050, to July 1, 2014; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2365, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2365, S.D. 2, H.D. 2, C.D. 1.

Representatives Nakashima, McKelvey, Yamashita, Creagan and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 107-14 on S.B. No. 2073**

The purpose of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee on Conference finds that on April 17, 2014, the State received notification that an arbitration award regarding the Hawaii Government Employees Association (HGEA) and the employer for collective bargaining unit (6) was issued. In addition, an agreement with HGEA was reached regarding Hawaii Employer-Union Health Benefits Trust Fund employer contributions.

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

- (1) Inserting specific amounts for collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (6) and their excluded counterparts for fiscal biennium 2013-2015, pursuant to the arbitration award and reached agreement;
- (2) Changing the effective date from July 1, 2114, to upon approval; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2073, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2073, S.D. 1, H.D. 1, C.D. 1.

Representatives Nakashima, Luke, Yamashita and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 108-14 on S.B. No. 2074**

The purpose of this measure is to provide a legislative vehicle to fund pending public sector collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015.

Your Committee on Conference finds that on February 27, 2014, the State received notification of ratification regarding a tentative agreement between the Hawaii Government Employees Association (HGEA) and the employer for collective bargaining unit (9). In addition, an agreement with HGEA was reached regarding Hawaii Employer-Union Health Benefits Trust Fund employer contributions.

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

- (1) Inserting specific amounts for collective bargaining cost items for salary adjustments, other cost adjustments, and Hawaii Employer-Union Health Benefits Trust Fund costs for public employees in collective bargaining unit (9) and their excluded counterparts for fiscal biennium 2013-2015, pursuant to the agreement reached; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2074, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2074, S.D. 1, H.D. 1, C.D. 1.

Representatives Nakashima, Luke, Yamashita and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 109-14 on H.B. No. 2413**

The purpose of this measure is to apply Hawaii's prevailing wage law for public construction work projects to public-private partnerships by including public-private partnerships in the definition of a governmental contracting agency.

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

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2413, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2413, H.D. 1, S.D. 1, C.D. 1.

Representatives Nakashima, Creagan, Woodson and Johanson.  
Managers on the part of the House.

Senators Hee, Keith-Agaran and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 110-14 on H.B. No. 2152**

The purpose of this measure is to stimulate economic growth for the State and continue to develop the state's emerging aerospace sector by:

- (1) Appropriating general funds to support various administrative and general tasks, and specific strategic program initiatives, of the Pacific International Space Center for Exploration Systems; and
- (2) Authorizing the issuance of general obligation bonds to support the development of a research and development park for the Pacific International Space Center for Exploration Systems.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation of \$500,000 to support various administrative and general tasks, and specific strategic program initiatives, of the Pacific International Space Center for Exploration Systems;
- (2) Deleting provisions specifying how the appropriation should be distributed between the administrative and general tasks and the specific program initiatives and allowing the Pacific International Space Center for Exploration Systems to make this determination;
- (3) Deleting provisions authorizing the issuance of general obligation bonds to support the development of a research and development park for the Pacific International Space Center for Exploration Systems;
- (4) Changing its effective date to July 1, 2014; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2152, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2152, H.D. 1, S.D. 2, C.D. 1.

Representatives Tsuji, Onishi, Ito and Ward.  
Managers on the part of the House.  
(Representative Ito was excused.)

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

**Conf. Com. Rep. 111-14 on H.B. No. 2464**

The purpose of this measure is to clarify how the important agricultural land qualified agricultural cost tax credit is to be calculated.

Your Committee on Conference has amended this measure by:

- (1) Removing the authorization for taxpayers who filed claims for taxable years ending prior to January 1, 2014, to claim the additional tax credits allowed under this measure; and
- (2) Changing its effective date to apply, upon approval, to taxable years beginning after July 1, 2008.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2464, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2464, H.D. 1, S.D. 1, C.D. 1.

Representatives Yamashita, Onishi, Wooley and Johanson.  
Managers on the part of the House.  
(Representative Wooley was excused.)

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

**Conf. Com. Rep. 112-14 on H.B. No. 1752**

The purpose of this measure is to provide health care to Hawaii residents that are uninsured, underinsured, potential Medicaid enrollees, or Medicaid enrollees by appropriating funds for:

- (1) Community health centers to provide direct health care to uninsured and underinsured patients;
- (2) The restoration of basic adult dental benefits to Medicaid enrollees;
- (3) Outreach and eligibility services for children, families, and individuals at federally qualified health centers;
- (4) The establishment of health homes for Medicaid enrollees as provided in the federal Patient Protection and Affordable Care Act;
- (5) The establishment of health homes for Medicaid enrollees at federally qualified health centers as provided in the Patient Protection and Affordable Care Act; and
- (6) The provision of behavioral health services at federally qualified health centers.

Your Committee on Conference has amended this measure by:

- (1) Deleting appropriations for all services, except the restoration of basic adult dental benefits to Medicaid enrollees;
- (2) Appropriating \$1,500,000 for fiscal year 2014-2015 for the restoration of basic adult dental benefits to Medicaid enrollees, provided that funds will not be expended unless the Department of Human Services obtains federal matching funds;
- (3) Changing its effective date to July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1752, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1752, H.D. 1, S.D. 2, C.D. 1.

Representatives Carroll, Belatti, Jordan and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 113-14 on H.B. No. 1993**

The purpose of this measure is to protect minors and other household members from domestic abuse by:

- (1) Requiring police officers to make a reasonable inquiry of the family or household member upon whom the officer believes that physical abuse or harm has been inflicted, and inquire the same of any available witnesses;
- (2) Requiring a police officer to order a person to leave the premises for a period of separation of forty-eight hours, regardless of whether the police officer has reasonable grounds to believe that there is probable danger of further physical abuse or harm being inflicted by one person upon a family or household member; and
- (3) Making the commission of an act of physical abuse in the presence of a family or household member who is less than fourteen years of age a class C felony.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the person ordered by a police officer to leave the premises for a period of separation of forty-eight hours is the person whom the police officer reasonably believes has inflicted the abuse; and
- (2) Changing its effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1993, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1993, S.D. 2, C.D. 1.

Representatives Carroll, Rhoads, Nishimoto, Kawakami and Fukumoto.  
Managers on the part of the House.  
(Representative Fukumoto was excused.)

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

**Conf. Com. Rep. 114-14 on H.B. No. 2293**

The purpose of this measure is to provide increased access to medical care for Hawaii residents and create more sustainable hospitals by continuing the Hospital Sustainability Program established in 2012. Among other things, this measure:

- (1) Continues the Hospital Sustainability Program by extending its sunset date to June 30, 2015, and the Hospital Sustainability Program Special Fund to December 31, 2015;
- (2) Makes a blank appropriation for the Hospital Sustainability Program Special Fund; and
- (3) Extends the repeal date of the exemptions for the Hospital Sustainability Program Special Fund from assessments for central service expenses and departmental administrative expenses.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$50,000,000 for the Hospital Sustainability Program Special Fund;
- (2) Deleting the extension of the repeal date of exemptions for the Hospital Sustainability Program Special Fund from assessments for central service expenses and departmental administrative expenses; and
- (3) Changing its effective date to June 29, 2014, provided that the appropriation takes effect on July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2293, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2293, H.D. 2, S.D. 2, C.D. 1.

Representatives Carroll, Belatti, Kobayashi, Morikawa and Fukumoto.  
Managers on the part of the House.  
(Representative Kobayashi was excused.)

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

**Conf. Com. Rep. 115-14 on H.B. No. 2490**

The purpose of this measure is to enhance the existing juvenile justice system by instituting the Hawaii Juvenile Justice Working Group's recommendations for juvenile justice reform, including, among other things:

- (1) Requiring the Director of the Office of Youth Services or the Director's designee to develop a comprehensive reentry plan for certain persons committed to the Hawaii Youth Correctional Facility;
- (2) Specifying supervision requirements for children placed on probation pursuant to section 571-48(1)(A), Hawaii Revised Statutes, and requiring that probation officers create a case plan in consultation with the child and the child's parent, legal guardian, or custodian;
- (3) Requiring the Judiciary to adopt guidelines and procedures for the development and application of graduated sanctions, including presumptive sanctions for common violations and incentives for compliance with probation requirements;
- (4) Permitting a child to earn discharge credits to reduce the length of the child's probation term;
- (5) Establishing a statewide juvenile justice interdepartmental cluster to provide coordinated services to certain children under the jurisdiction of the Family Court;
- (6) Specifying factors that the Director of the Office of Youth Services must consider when granting parole;
- (7) Requiring the Executive Director of the Office of Youth Services to submit an annual report to the Board of Family Court Judges and the Hawaii Juvenile Justice State Advisory Council including the number of persons committed to the Executive Director's custody;
- (8) Requiring the Board of Family Court Judges to provide guidelines and procedures necessary to implement a single statewide standardized tool to conduct risk and needs assessments and validation of the tool every five years;
- (9) Requiring probation officers to complete annual training on juvenile justice or probation supervision best practices;
- (10) Requiring intake officers to compile monthly reports indicating the number of cases diverted and the types of alleged offenses precipitating the referral of the child to court;
- (11) Requiring the directors of the family courts of each circuit to establish a framework that includes criteria that probation officers shall use to guide their discretion in providing informal adjustment;
- (12) Requiring the family court to conduct a risk and needs assessment prior to disposition, and authorizing the family court to suspend delinquency proceedings to obtain substance abuse or mental health treatment;
- (13) Requiring a probation officer to refer the child to the Department of Health for a determination of eligibility for services if a risk and needs assessment indicates substance abuse or mental health need;
- (14) Establishing a Juvenile Justice Oversight Advisory Council to oversee implementation of the juvenile justice reforms in this measure and issue reports necessary to evaluate its effectiveness; and
- (15) Making a blank appropriation for juvenile justice system services.

Your Committee on Conference finds that there is a need to improve and enhance the existing juvenile justice system as recommended by the Hawaii Juvenile Justice Working Group. Over the last decade, the number of juvenile offenders in the State confined for nonviolent offenses has risen. When juvenile offenders are confined for nonviolent offenses and placed in secure facilities, the risk of repeat offenses upon their release increases. Furthermore, critical services to reduce delinquency, including mental health and substance abuse treatment, are not sufficiently accessible to the State's youth.

This measure will reform the State's juvenile justice system and protect public safety through targeted juvenile justice reforms, including concentrating secure bed space on serious juvenile offenders; strengthening disposition, adjustment, and the array of services available for juvenile offenders; and establishing the Juvenile Justice Oversight Advisory Council.

Your Committee on Conference also finds that this measure will provide for systematic coordination between the appropriate service providers and government entities, ensuring that evidence-based practices and effective mental health and substance abuse treatments are being tailored to each child's specific needs. Your Committee on Conference further finds that reentry planning would allow youth to safely and effectively transition back into the community.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the Executive Director of the Office of Youth Services is responsible for developing reentry plans for youth serving concurrent terms of probation;
- (2) Requiring each Deputy Chief Administrator to:
  - (A) Adopt policies or procedures for implementation of the adopted graduated sanctions and incentives system;
  - (B) Submit an annual report to the Board of Family Court Judges and Hawaii Juvenile Justice State Advisory Council; and
  - (C) Require each probation officer to complete annual training on juvenile justice or probation supervision best practices;
- (3) Amending the membership of the Juvenile Justice Oversight Advisory Council to include two members of the Department of Education, appointed by the Superintendent of Education;
- (4) Appropriating \$1,260,500 for fiscal year 2014-2015 for juvenile justice system services; provided that funds not expended and

encumbered by the Hawaii Youth Correctional Facility due to savings from updated services and programs implemented by this measure will not lapse at the end of the fiscal year;

- (6) Amending the effective date to take effect upon July 1, 2014, provided that Section 15 takes effect on October 1, 2014, and Sections 3 and 14 take effect on November 1, 2014, and all apply to delinquent behavior on or after the specified date; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2490, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2490, H.D. 2, S.D. 2, C.D. 1.

Representatives Carroll, Creagan, Ing, Awana and Thielen.  
Managers on the part of the House.  
(Representatives Awana and Thielen were excused.)

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

**Conf. Com. Rep. 116-14 on H.B. No. 238**

The purpose of this measure is to support certain witnesses in criminal proceedings by:

- (1) Increasing the per diem rate for out-of-state witnesses from \$110 to an unspecified amount; and
- (2) Providing an additional unspecified amount as a per diem payment for witnesses traveling from another island within the State who are required to stay overnight.

Your Committee on Conference has amended this measure by:

- (1) Providing that:
  - (A) The per diem rate for out-of-state witnesses will increase to \$145; and
  - (B) The additional per diem payment for witnesses traveling from another island who are required to stay overnight will be \$90; and
- (2) Making the bill effective July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 238, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 238, H.D. 1, S.D. 2, C.D. 1.

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

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 117-14 on H.B. No. 1288**

The purpose of this measure is to address the order of succession to the office of the Lieutenant Governor by:

- (1) Maintaining succession to, first, the Senate President followed by the House Speaker, when the office of the Lieutenant Governor becomes vacant, provided that the individual meets the new qualification of being of the same political party as the Governor;
- (2) Authorizing the Governor to appoint a Lieutenant Governor, who is a member of the same political party as the Governor and otherwise qualified under the Hawaii State Constitution, in the absence of a qualified successor when the office of the Lieutenant Governor becomes vacant; and
- (3) Clarifying the order of succession when the Lieutenant Governor is temporarily absent from the State or is temporarily disabled.

Your Committee on Conference has amended this measure by:

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

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

Conference is in accord with the intent and purpose of H.B. No. 1288, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1288, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Nishimoto, Brower and Thielen.  
Managers on the part of the House.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 118-14 on H.B. No. 1635**

The purpose of this measure is to require that effective July 1, 2014:

- (1) The salary of the Administrative Director of the Courts be equal to the salary of the Administrative Director of the State; and
- (2) The salary of the Deputy Administrative Director of the Courts be equal to an unspecified percentage of the salary of the Administrative Director of the Courts.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the salary of the Deputy Administrative Director of the Courts shall be equal to 95 percent of the salary of the Administrative Director of the Courts; and
- (2) Making it effective on July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1635, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1635, S.D. 1, C.D. 1.

Representatives Rhoads, Ing, Belatti and Thielen.  
Managers on the part of the House.

Senators Hee, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 119-14 on H.B. No. 2246**

The purpose of this measure is to promote state compliance with federal firearm regulations by:

- (1) Establishing a court-based program for persons who are federally prohibited from possessing a firearm based on previous adjudication as mentally defective or commitment to a mental institution to petition for relief from the federal firearm prohibitor;
- (2) Providing that the court shall grant such a petition for relief when the petitioner can show by a preponderance of the evidence that the petitioner is not likely to act in a manner dangerous to public safety and granting relief is not contrary to the public interest; and
- (3) Requiring the courts to provide information relating to the outcome of such petitions and to involuntary civil commitments to the Hawaii Criminal Justice Data Center for use by law enforcement officials for firearms permitting or registration and for submission to the Federal Bureau of Investigation National Instant Criminal Background Check System (NICS) database for gun control purposes.

Your Committee on Conference has amended this measure by increasing the standard of proof from preponderance of the evidence to clear and convincing evidence for a petitioner to prove that the petitioner will not be likely to act in a manner dangerous to public safety and the granting of relief will not be contrary to public interest in order for the court to grant a petition for relief.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2246, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2246, H.D. 1, S.D. 1, C.D. 1.

Representatives Rhoads, Ing, Creagan and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 120-14 on H.B. No. 1712**

The purpose of this measure is to:

- (1) Authorize the issuance of general obligation bonds to finance project appropriations contained in Acts of the Legislature for which the means of funding are designated as general obligation bond funds or reimbursable general obligation bond funds; and

- (2) Make a declaration of findings regarding the authorizations as required by the Constitution of the State of Hawaii.

Article VII, section 13, of the Constitution of the State of Hawaii requires the Legislature to include a declaration of findings in every general law authorizing the issuance of general obligation bonds, which shall declare that the issuance of state bonds authorized will not cause the debt limit to be exceeded at the time of issuance.

Your Committee has amended this measure by:

- (1) Inserting the appropriate dollar amounts throughout the measure as provided by the Department of Budget and Finance;
- (2) Updating dates cited in the measure;
- (3) Changing its effective date to upon approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1712, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1712, S.D. 1, C.D. 1.

Representatives Luke, Nishimoto, Yamashita and Johanson.  
Managers on the part of the House.

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

**Conf. Com. Rep. 121-14 on H.B. No. 1514**

The purpose of this measure is to assist local coffee growers in their effort to control the coffee berry borer beetle by appropriating unspecified amounts for:

- (1) Education and mitigation activities to combat the coffee berry borer; and
- (2) Developing, operating, and implementing a five-year Pesticide Subsidy Program to partially offset the costs of purchasing specified pesticides containing *Beauveria bassiana*, a fungus known to eradicate the coffee berry borer, and hiring a temporary program specialist for the Program.

Your Committee on Conference has amended this measure by:

- (1) Deleting the appropriation for education and mitigation activities to combat the coffee berry borer;
- (2) Appropriating \$500,000 for the Pesticide Subsidy Program;
- (3) Clarifying that under the Program, a single coffee grower can receive subsidies of up to \$600 per year per acre of land in coffee production, but not more than \$9,000 per year;
- (4) Changing its effective date to July 1, 2014; and
- (5) Making technical, nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1514, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1514, H.D. 1, S.D. 2, C.D. 1.

Representatives Wooley, Onishi, Lowen and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 122-14 on H.B. No. 2179**

The purpose of this measure is to encourage agricultural production and economic growth by limiting the toll that the Board of Agriculture may charge for water provided by the Lower Hamakua Ditch through June 30, 2019.

Your Committee on Conference has amended this measure by:

- (1) Capping the toll at 20 cents per 1,000 gallons of water; and

- (2) Making it effective from July 1, 2015, through June 30, 2025.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2179, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2179, H.D. 1, S.D. 1, C.D. 1.

Representatives Wooley, Onishi, Nakashima and Matsumoto.  
Managers on the part of the House.  
(Representative Nakashima was excused.)

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

**Conf. Com. Rep. 123-14 on H.B. No. 1702**

The purpose of this measure is to support those who are being displaced by the Kapalama container terminal project by establishing a capital infrastructure tax credit for taxpayers who invest in tenants displaced by the Kapalama container terminal project.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the capital infrastructure tax credit shall be for taxpayers for capital infrastructure costs that were paid or incurred;
- (2) Clarifying the definition of "capital infrastructure costs" and that it shall not include amounts for which another credit is claimed;
- (3) Removing ship repair from the list of principal businesses in the definition of qualified infrastructure tenant;
- (4) Specifying that the tax credit shall be equal to fifty percent of the capital infrastructure costs paid or incurred by the qualified infrastructure tenant during the taxable year up to a cap of \$2,500,000 in any taxable year;
- (5) Requiring notice from the qualified infrastructure tenant to the taxpayer claiming the credit of the amount of costs that may be claimed;
- (6) Clarifying that the credit shall be determined for a partnership at the entity level;
- (7) Specifying that the tax credit may be recaptured within three years under certain conditions and the recapture percentage based on the credit claimed;
- (8) Changing the effective date to July 1, 2014;
- (9) Removing language pertaining to the inapplicability of section 704(b)(2) of the Internal Revenue Code to allocations of the capital infrastructure tax credit; and
- (10) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1702, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1702, H.D. 2, S.D. 2, C.D. 1.

Representatives Yamane, Nishimoto, Takayama and Ward.  
Managers on the part of the House.

Senators Dela Cruz, Kidani and Wakai.  
Managers on the part of the Senate.

**Conf. Com. Rep. 124-14 on H.B. No. 2037**

The purpose and intent of this measure is to appropriate funds to the Department of Health for the continued funding of Project Kealahou.

Your Committee on Conference has amended this measure by:

- (1) Specifying that the sum of \$216,000 be appropriated to fund Project Kealahou;
- (2) Changing the effective date to July 1, 2014; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2037, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2037, H.D. 1, S.D. 1, C.D. 1.

Representatives Belatti, Morikawa, Jordan and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 125-14 on H.B. No. 2053**

The purpose of this measure is to address falls and fall-related injuries by elderly persons in the State by:

- (1) Establishing a Fall Prevention and Early Detection Coordinator position within the Department of Health Emergency Medical Services and Injury Prevention System Branch to coordinate the provision of public and private fall prevention and early detection services for the elderly; and
- (2) Appropriating an unspecified amount of funds from the Trauma System Special Fund to establish and fill this position.

Your Committee on Conference has amended this measure by:

- (1) Appropriating \$81,985 for Fiscal Year 2014-2015 to establish and fill the Fall Prevention and Early Detection Coordinator position; and
- (2) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2053, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2053, H.D. 1, S.D. 1, C.D. 1.

Representatives Belatti, Takayama, Woodson and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 126-14 on H.B. No. 2094**

The purpose of this measure is to:

- (1) Extend by five years the repeal date of Act 21, Special Session Laws of Hawaii 2009, which requires home care agencies to be licensed by the Department of Health; and
- (2) Appropriate funds for fiscal year 2014-2015 for the establishment of a full-time permanent position in the Department of Health to facilitate the licensing of home care agencies.

This bill also requires that beginning with fiscal year 2015-2016 and each fiscal year thereafter, the Department of Health is to request funding for the full-time, permanent position established in this measure.

Your Committee on Conference has amended this measure by:

- (1) Inserting the appropriation amount of \$150,000 for fiscal year 2014-2015 for the establishment of a full-time position in the Department of Health to facilitate the licensing of home care agencies; and
- (2) Changing its effective date to June 29, 2014, and making section 3 of this measure take effect on July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2094, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2094, H.D. 1, S.D. 1, C.D. 1.

Representatives Belatti, Morikawa, Hashem and Fukumoto.  
Managers on the part of the House.  
(Representative Hashem was excused.)

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

**Conf. Com. Rep. 127-14 on H.B. No. 2224**

The purpose of this measure is to help residents and prospective residents of clean and sober group homes to access a stable, alcohol- and drug-free, home-like living environment in residences that comply with federal, state, and county requirements and minimum quality standards by:

- (1) Establishing a voluntary clean and sober homes registry within the Department of Health to assist persons recovering from substance abuse;
- (2) Amending the relevant statutes on county zoning to delete redundant or obsolete language and to comply with the federal Fair Housing Amendments Act; and
- (3) Appropriating funds for Fiscal Year 2014-2015 for staffing and operating costs to plan, establish, and operate the registry of clean and sober homes.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 for Fiscal Year 2014-2015 for staffing and operating costs to plan, establish, and operate the registry of clean and sober homes; and
- (2) Changing its effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2224, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2224, H.D. 2, S.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Jordan and Fukumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 128-14 on H.B. No. 2581**

The purpose of this measure is to:

- (1) Establish a state innovation waiver task force (task force) to, among other things:
  - (A) Develop a health care reform plan that meets requirements for obtaining a state innovation waiver under the federal Patient Protection and Affordable Care Act of 2010;
  - (B) Prepare a draft application for a state innovation waiver, to take effect for plan years beginning on or after January 1, 2017; and
  - (C) Submit two interim reports and one final report of its actions, findings, recommendations, and any proposed legislation, to the Legislature; and
- (2) Appropriating funds for Fiscal Year 2014-2015 for the operations of the task force.

Your Committee on Conference has amended this measure by:

- (1) Changing the composition of the task force membership as follows:
  - (A) Deleting the Director of Commerce and Consumer Affairs and the Chairperson of the Board of Directors of the Hawaii Health Connector from the task force; and
  - (B) Adding the Attorney General and a representative of the Hawaii Primary Care Association to the task force;
- (2) Deleting the appropriation; and
- (3) Changing its effective date to take effect upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2581, H.D. 3, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2581, H.D. 3, S.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Nishimoto, Lee, Oshiro and McDermott.  
Managers on the part of the House.  
(Representatives Lee and Nishimoto were excused.)

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

**Conf. Com. Rep. 129-14 on H.B. No. 849**

The purpose of this measure is to update and recodify Hawaii's emergency management laws to conform with nationwide emergency management practices. Among other things, this measure:

- (1) Establishes a Hawaii Emergency Management Agency in the state Department of Defense with the functions and authority currently held by the state Civil Defense Agency;
- (2) Establishes the power and authority of the Director of Hawaii Emergency Management, who will be the Adjutant General, and provide the Director with the functions and authority currently held by the Director of Civil Defense;
- (3) Establishes the Hawaii Advisory Council on Emergency Management to confer with and advise the Governor in emergency management matters, and provides the Advisory Council with responsibilities currently held by the Civil Defense Advisory Council;
- (4) Establishes an Emergency Reserve Corps, to be made up of trained specialists, to support state and county emergency requirements;
- (5) Codifies the existing State Warning Point, which is a physical location where warning systems are continually monitored;
- (6) Codifies and clarifies the mayors' authority for emergency management in their respective counties;
- (7) Establishes county emergency management agencies, each to be under the respective county mayor's direction, with the functions and authority currently held by the local organizations for civil defense;
- (8) Codifies the existing practice that all state and county officials, officers, and employees are considered "emergency workers" subject to the direction of their respective state or county department director during emergencies or disasters;
- (9) Clarifies the Governor's authority for emergency management, and specifies that the Governor may "assume direct operational control" over local emergencies and disasters only during an "emergency period" when a state of emergency has already been declared by the Governor;
- (10) Authorizes the Governor and mayors to delegate their emergency management powers consistent with current civil defense authority and practice;
- (11) Establishes how proclamations are promulgated and terminated consistent with current authority for civil defense proclamations;
- (12) Requires that the proclamations be posted on the applicable state or county emergency management agency website in addition to other means of promulgation, and that they remain posted until terminated;
- (13) Provides definitions of key emergency management terms, such as "critical infrastructure," "emergency," "emergency management," "emergency management functions," and "emergency period"; and
- (14) Repeals chapters on Disaster Relief and the Civil Defense Emergency Act which have been determined to be obsolete with the creation of the Hawaii Emergency Management Agency.

Your Committee on Conference has amended this measure by:

- (1) Establishing a provision that limits the requisition initiated by the Governor or Mayor to a period of 60 days;
- (2) Clarifying the Governor's additional powers in a disaster or emergency period, beyond local control;
- (3) Changing its effective date to July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 849, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 849, H.D. 2, S.D. 2, C.D. 1.

Representatives Aquino, Takai, Rhoads, Ing, Awana and McDermott.  
Managers on the part of the House.

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

**Conf. Com. Rep. 130-14 on H.B. No. 2363**

The purpose of this measure is to establish a pilot project to demonstrate the cost-effectiveness of providing a coordinated system of reentry treatment and support services to help nonviolent, low-risk drug offenders transition from jail or prison back into the community.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000 for fiscal year 2014-2015 for the reentry pilot project;
- (2) Changing the effective date to July 1, 2014, and the repeal date to June 30, 2016; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2363, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2363, H.D. 2, S.D. 2, C.D. 1.

Representatives Aquino, Creagan, Ing, Takayama and McDermott.  
Managers on the part of the House.

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

**Conf. Com. Rep. 131-14 on S.B. No. 2246**

The purpose of this measure is to make an appropriation to satisfy several claims against the State, its officers, or its employees, including claims for legislative relief, judgments against the State, settlements, and other miscellaneous claims.

Your Committee on Conference finds that this measure requests a total of \$1,689,802.03 in appropriations from the general fund to satisfy nineteen claims against the State and a total of \$822,500 in appropriations from the state highway fund to satisfy four claims against the State. The grand total for the twenty-three claims settled in this measure as received by your Committee is \$2,512,302.03. Timely passage of this measure will minimize the State's obligation to pay interest on those amounts.

Your Committee on Conference notes that since this measure was last amended, nine additional claims have been resolved. These nine claims require a total of \$464,324 in appropriations from the general fund.

Accordingly, your Committee on Conference has amended this measure by adding general fund appropriations for nine additional claims totaling \$464,324 to this measure, as requested by the Department of the Attorney General, which increases the grand total amount of appropriations in this measure to \$2,976,626.03 in order to satisfy a total of thirty-two claims against the State, its officers, or its employees.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2246, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2246, S.D. 2, H.D. 2, C.D. 1.

Representatives Har, Luke, Lee and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 132-14 on S.B. No. 2634**

The purpose of this measure is to promote transparency in lobbying activities by:

- (1) Adding a definition of "lobbying material"; and
- (2) Requiring individuals who spend more than \$750 on lobbying during an expenditure statement period to itemize each expenditure under certain categories and to account for expenditures listed as "other disbursements".

Your Committee on Conference finds that existing law requires the reporting of total lobbying expenditures but does not require that these expenditures be categorized according to their nature and purpose. This measure provides greater transparency regarding the expenditures that are made by lobbyists and lobbying organizations seeking to influence legislative action by requiring the categorization of lobbying expenditures.

Your Committee on Conference notes that this measure is not intended to redefine the existing definition of lobbying under state law, nor is it intended to expand the types of items considered to be lobbying. Instead, the intent of this measure is to add certain categories to the reporting of such expenses.

Your Committee on Conference has amended this measure by:

- (1) Deleting the proposed definition of "lobbying material";
- (2) Deleting language that would have required that each item under the category "other disbursements" contain the amount, date, purpose, and recipient of the disbursement; and
- (3) Changing the effective date from July 1, 2030, to upon approval.

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

Conference is in accord with the intent and purpose of S.B. No. 2634, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2634, S.D. 1, H.D. 2, C.D. 1.

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

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

**Conf. Com. Rep. 133-14 on S.B. No. 2609**

The purpose of this measure is to:

- (1) Increase the minimum wage rate to:
  - (A) \$7.75 per hour beginning January 1, 2015;
  - (B) \$8.50 per hour beginning January 1, 2016;
  - (C) \$9.25 per hour beginning January 1, 2017; and
  - (D) \$10.00 per hour beginning January 1, 2018;
- (2) Increase the tip credit to:
  - (A) 50 cents per hour beginning January 1, 2015; and
  - (B) 75 cents per hour beginning January 1, 2016; and
- (3) Establish that beginning January 1, 2015, the combined amount a tipped employee receives in wages and tips must be at least \$7.00 more than the applicable minimum wage in order for an employer to apply the tip credit for the employer's tipped employee.

Your Committee on Conference finds that the hourly minimum wage in Hawaii has not increased since 2007. Since that time, the cost of living has risen steadily, while worker purchasing power has continued to diminish. In Hawaii, the cost of living is higher than that of much of the rest of the nation, which compels many individuals to work two or more jobs to maintain a basic standard of living. Your Committee on Conference believes that providing minimum wage workers with a higher hourly pay will further the economic recovery of Hawaii and help lift Hawaii's working poor out of poverty.

Your Committee on Conference has amended this measure by changing the minimum wage rate beginning January 1, 2018, from \$10.00 per hour to \$10.10 per hour.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2609, S.D. 1, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2609, S.D. 1, H.D. 2, C.D. 1.

Representatives Nakashima, Luke, Ichiyama, Nishimoto and Thielen.  
Managers on the part of the House.  
(Representative Nishimoto was excused.)

Senators Hee, Ige, Ihara, Kouchi and Shimabukuro.  
Managers on the part of the Senate.

**Conf. Com. Rep. 134-14 on S.B. No. 2821**

The purpose of this measure is to:

- (1) Adopt revisions to the National Association of Insurance Commissioners' model laws on Credit for Reinsurance Model Act, Standard Valuation Law, Standard Nonforfeiture Law for Life Insurance, and Insurance Holding Company System Regulatory Act; and
- (2) Ensure the Insurance Division of the Department of Commerce and Consumer Affairs maintains its accreditation with the National Association of Insurance Commissioners.

Your Committee on Conference finds that the revisions to the State's Insurance Code in this measure are part of the National Association of Insurance Commissioners' Solvency Modernization Initiative, a critical self-examination to update the nation's insurance solvency regulation framework and review international developments regarding insurance supervision, banking supervision, and international accounting standards and their use in the country's insurance regulation.

Your Committee on Conference further finds that the National Association of Insurance Commissioners' financial regulation standards and accreditation program ensure that each state has adequate solvency laws and regulations to protect consumers and guarantee reserve funds. This measure protects consumers in Hawaii and ensures that the Insurance Division of the Department of Commerce and Consumer Affairs retains its accreditation with the National Association of Insurance Commissioners.

Your Committee on Conference has amended this measure by:

- (1) Adding a definition for "domestic insurance holding company system";
- (2) Deleting a definition for "domestic single-state insurer";
- (3) Clarifying that an insurer required to file financial statements of an insurance holding company system upon the request of the Insurance Commissioner may satisfy this request by providing the Commissioner with the most recently filed financial statements of the parent corporation that have been filed with the Securities and Exchange Commission;
- (4) Specifying that the ultimate controlling person of a domestic insurance holding company system, rather than a domestic single-state insurer with specified premium and surplus amounts, shall be exempt from the requirement to file an annual enterprise risk report;
- (5) Clarifying that a domestic insurer and a domestic insurance holding company system are exempt from certain standards and management requirements related to the board of directors of a domestic insurer under certain circumstances;
- (6) Permitting the Insurance Commissioner to examine any insurer registered under section 431:11-105, Hawaii Revised Statutes, as reasonably necessary to ascertain the financial condition of the insurer, subject to certain limitations;
- (7) Specifying the obligation of persons to attend as a witness pursuant to a subpoena;
- (8) Inserting an effective date of July 1, 2014; provided that part I of this measure shall take effect on January 1, 2015; provided further that part IV of this measure shall take effect on January 1, 2016; and
- (9) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2821, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2821, S.D. 2, H.D. 1, C.D. 1.

Representatives McKelvey, Nishimoto, Tokioka, Tsuji and McDermott.  
Managers on the part of the House.  
(Representatives Tokioka and McDermott were excused.)

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

**Conf. Com. Rep. 135-14 on S.B. No. 2478**

The purpose of this measure is to:

- (1) Update the scope of practice for chiropractic to reflect standards, practices, and terminology accepted by the National Board of Chiropractic Examiners; and
- (2) Limit employer liability for chiropractic treatment under the Workers' Compensation Law.

Your Committee on Conference finds that this measure updates the scope of practice for chiropractic in conformity to the standards of practice accepted by the National Board of Chiropractic Examiners. This measure therefore enables the scope of practice for chiropractors in Hawaii to reflect standards of care, practices, and terminology that are aligned with nationally recognized practice parameters and will enable chiropractic licensees to keep abreast with advances in health care and the chiropractic profession.

Your Committee on Conference notes that because this measure is intended to focus on scope of practice for chiropractic, provisions in this measure relating to Hawaii's Workers' Compensation Law should be removed.

Your Committee on Conference has amended this measure by:

- (1) Deleting language that specified the number of treatments and treatment cost rate and number of x-rays and x-ray cost rate allowed under the Workers' Compensation Law for chiropractic treatment;
- (2) Clarifying that chiropractic is the system of specific adjustment or manipulation of the joints and tissues, including by the application of physiotherapeutic methods;
- (3) Clarifying that the scope of chiropractic shall be limited to those diagnostic and treatment services and procedures that have been taught by a chiropractic college accredited by an accrediting organization recognized by the United States Department of Education and approved by the Board of Chiropractic Examiners;
- (4) Clarifying the treatments that chiropractic licensees may use to examine, analyze, and diagnose the human body;
- (5) Specifying that chiropractic licensees may use the methods of examination for diagnosis and analysis taught by a chiropractic college accredited by an accrediting organization recognized by the United States Department of Education and approved by the Board of Chiropractic Examiners;

- (6) Prohibiting a person who has not complied with the requirements of chapter 442, Hawaii Revised Statutes, from using the title "chiropractic physician" to suggest that the person is engaged in the practice of chiropractic, and removing the prohibition on the use of the term "physician" by a chiropractic licensee;
- (7) Inserting an effective date of upon approval; and
- (8) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2478, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2478, H.D. 2, C.D. 1.

Representatives Belatti, McKelvey, Morikawa, Creagan, Jordan and McDermott.  
Managers on the part of the House.  
(Representative Creagan voted no, and Representative McDermott was excused.)

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

**Conf. Com. Rep. 136-14 on S.B. No. 2948**

The purpose of this measure is to:

- (1) Transition the Public Utilities Commission (Commission) from its administrative placement within the Department of Budget and Finance to a semi-autonomous agency that is administratively attached to the Department of Commerce and Consumer Affairs;
- (2) Increase the compensation of the Chairperson and Commissioners of the Commission;
- (3) Clarify that notwithstanding section 26-35, Hawaii Revised Statutes, the Commission has authority concerning standard administrative practices, including operational expenditures and the hiring of personnel;
- (4) Enable the Chairperson of the Commission to appoint, employ, and dismiss all officers and employees under the Commission, including an executive officer, who shall be responsible for managing the operations of the commission;
- (5) Enable the Chairperson of the Commission to appoint, employ, and dismiss a fiscal officer and a personnel officer, with or without regard to the civil service law, to further support the administrative activities of the Commission;
- (6) Establish the position of Executive Director of the Division of Consumer Advocacy, which shall be the Consumer Advocate; and
- (7) Appropriate funds to assist with the transition of the Commission and for the hiring of an executive officer, a fiscal officer, and a personnel officer within the Commission.

Your Committee on Conference finds that the statutory responsibility of the Commission, which is currently administratively attached to the Department of Budget and Finance, requires a unique organizational structure and specialized staff. This measure transfers the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs, a state department whose mission is more closely aligned with the mission of the Public Utilities Commission. Your Committee on Conference further finds that placing the Commission under the Department of Commerce and Consumer Affairs, for administrative purposes only, will also facilitate the Commission's goal of self-reliance by permitting the Commission to obtain and allocate its resources more efficiently.

Your Committee on Conference additionally finds that this measure ensures a smooth transition for the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs, enables the Commission to carry out its various regulatory responsibilities in a more efficient manner, addresses the role of the Consumer Advocate, and ensures that important decisions relating to public utilities continue to be made in the public interest.

Your Committee on Conference has amended this measure by:

- (1) Removing references to the Commission as a semi-autonomous agency and specifying that the Commission shall be placed, for administrative purposes only, within the Department of Commerce and Consumer Affairs;
- (2) Clarifying the limitations of the Department of Commerce and Consumer Affairs in affecting the Commission's day to day operations;
- (3) Removing language that would have increased the compensation of the Chairperson and Commissioners of the Commission, beginning July 1, 2014;
- (4) Creating a direct line of communication between the Commission and the Governor or Legislature, unless otherwise agreed to by the Chairperson of the Commission and the Department of Commerce and Consumer Affairs;
- (5) Increasing the balance that may be retained in the Public Utilities Commission special fund at the end of each fiscal year, from \$1,000,000 to \$4,000,000;
- (6) Changing the appropriation in this measure from an unspecified amount to \$450,000, to effectuate the transfer of the Commission and

for the hiring of an executive officer, fiscal officer, and personnel officer;

- (7) Enabling the Department of Budget and Finance to transfer positions and funds for the Commission to the Commission or the Department of Commerce and Consumer Affairs;
- (8) Clarifying provisions related to the preservation of Commission rules, policies, procedures, and similar material; deeds, leases, contracts, and other related documents; costs and expenses; and the transition period associated with the transfer of the Commission from the Department of Budget and Finance to the Department of Commerce and Consumer Affairs;
- (9) Updating the purpose section;
- (10) Inserting an effective date of July 1, 2014; and
- (11) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2948, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2948, S.D. 1, H.D. 1, C.D. 1.

Representatives McKelvey, Nishimoto, Har, Kawakami, Lee and McDermott.  
Managers on the part of the House.  
(Representatives Har and McDermott were excused.)

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

**Conf. Com. Rep. 137-14 on S.B. No. 2581**

The purpose of this measure is to:

- (1) Modify the composition, quorum requirement, and duties of the State Building Code Council;
- (2) Amend the state building code, including the clarification of terminology, code adoption process, and staggering of code adoptions;
- (3) Prohibit the State Building Code Council from adopting provisions in the Hawaii state building codes that conflict with laws governing contractors; and
- (4) Appropriate funds to the Department of Accounting and General Services for the State Building Code Council and staff to carry out their duties and functions, including operating costs and staff salaries.

Your Committee on Conference finds that modern building codes are necessary to protect the citizens of Hawaii. In 2012, the State Building Code Council recommended an updated series of codes to be established as the new Hawaii State Building Code. However, due to a lack of funding, the process was never completed. This measure addresses the importance of the State Building Code Council's composition and duties to benefit the integrity of the code adoption process and appropriates funds to support the State Building Code Council's efforts to adopt a uniform set of statewide building codes and consistent standards.

Your Committee on Conference notes that while this measure requires the State Building Code Council to update the Hawaii state building codes and standards at least once every six years, the Council is encouraged to monitor updates to national building codes and propose changes more frequently if necessary.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the State Building Code Council member representing the Building Industry Association of Hawaii or the General Contractors Association of Hawaii shall serve alternating four-year terms between the two organizations, with the first four-year term to be served by the member representing the Building Industry Association of Hawaii;
- (2) Requiring, rather than permitting, the State Building Code Council to adopt, amend, or update Hawaii state building codes and standards on a staggered schedule, provided that any adoption, amendment, or update of any code occurs at least once every six years and is based upon an evaluation of the utility of the code or standard at the time each respective edition is published;
- (3) Inserting an appropriation amount of \$136,676;
- (4) Inserting an effective date of July, 1, 2014; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2581, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2581, S.D. 2, H.D. 1, C.D. 1.

Representatives McKelvey, Luke, Kawakami, Yamashita and McDermott.  
Managers on the part of the House.

(Representative Yamashita was excused.)

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

**Conf. Com. Rep. 138-14 on S.B. No. 2583**

The purpose of this measure is to appropriate funds for a National Aeronautics and Space Administration and Pacific International Space Center for Exploration Systems engineering assessment of a proposal to establish a laser optical communications ground station in Hawaii, leading to infrastructure construction beginning in 2016, contingent on a dollar-for-dollar match of funds from the National Aeronautics and Space Administration.

Your Committee on Conference finds that space laser technology has the potential to support laser communications between spacecraft and Earth, provide ten to one hundred times higher data rates than traditional radio frequency systems with the same mass and power, and stimulate the State's economy through the creation of high-tech jobs. Your Committee on Conference further finds that the National Aeronautics and Space Administration conducted a detailed statistical analysis of weather patterns and identified Hawaii as the best site in the United States to establish the first laser optical communications ground station.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$250,000; and
- (2) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2583, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2583, S.D. 1, H.D. 1, C.D. 1.

Representatives Tsuji, Takayama, Ito and Ward.  
Managers on the part of the House.  
(Representative Ito was excused.)

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

**Conf. Com. Rep. 139-14 on S.B. No. 2315**

The purpose of this measure is to appropriate funds for the Department of Public Safety to provide substance abuse treatment services to the inmates of the Halawa Correctional Facility.

Your Committee on Conference finds that a substantial number of inmates incarcerated at Halawa Correctional Facility have significant substance abuse problems. However, the Halawa Correctional Facility lacks the resources to provide substance abuse treatment services to inmates who need the services. This measure appropriates funds to increase the availability of substance abuse treatment services at Halawa Correctional Facility.

Your Committee on Conference has amended this measure by:

- (1) Specifying an appropriation amount of \$110,000;
- (2) Changing the effective date to July 1, 2014; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 2315, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 2315, S.D. 1, H.D. 1, C.D. 1.

Representatives Aquino, Ing, Takayama and McDermott.  
Managers on the part of the House.

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

**Conf. Com. Rep. 140-14 on H.B. No. 2590**

The purpose of this measure is to increase voter participation in elections by permitting late voter registration at absentee polling places beginning in 2016, and authorizing late voter registration at precinct polling places on Election Day beginning in 2018.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the requirements of the late voter registration application process by:
  - (A) Specifying that the signed affidavit submitted by a person wishing to register shall be a sworn affirmation, which shall include an acknowledgement that providing false information may result in a class C felony;
  - (B) Deleting the requirement that the registration clerk demand evidence of residency of any person wishing to register to vote, and instead authorizing the registration clerk to accept the person's allegation of residency as prima facie evidence, unless it is contested by a qualified voter; and
  - (C) Allowing the registration clerk to demand substantiating evidence as to information contained in an application, other than an allegation of residency;
- (2) Inserting an appropriation amount of \$100,000 for the counties to implement the measure's voter registration provisions;
- (3) Making all sections of the measure, except for the late registration and registration at absentee polling places sections, effective on July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2590, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2590, H.D. 1, S.D. 2, C.D. 1.

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

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

#### **Conf. Com. Rep. 141-14 on H.B. No. 1714**

The purpose of this measure is to address the effects of climate change adaptation through 2050 to protect the State's economy, health, environment, and way of life by:

- (1) Establishing an Interagency Sea Level Rise Vulnerability and Adaptation Committee within the Department of Land and Natural Resources to develop a sea level rise vulnerability and adaptation report for the State;
- (2) Requiring the Office of Planning to develop, monitor, and evaluate statewide strategic climate adaptation plans and actionable policy recommendations; and
- (3) Appropriating funds to the Office of Planning and Department of Land and Natural Resources for the purposes of this measure.

Your Committee on Conference has amended this measure by:

- (1) Renaming the Interagency Sea Level Rise Vulnerability and Adaptation Committee as the "Interagency Climate Adaptation Committee" (Committee);
- (2) Specifying that the Committee shall be jointly headed by the Chairperson of the Board of Land and Natural Resources, or the Chairperson's designee, and the Director of the Office of Planning, or the Director's designee; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1714, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1714, H.D. 1, S.D. 2, C.D. 1.

Representatives Lee, Luke, Evans, Lowen and Thielen.  
Managers on the part of the House.  
(Representatives Evans and Thielen were excused.)

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

#### **Conf. Com. Rep. 142-14 on H.B. No. 1943**

The purpose of this measure is to eliminate technical and economic barriers that prevent customer-generators from interconnecting to the Hawaii electric grid in a timely manner by:

- (1) Amending the Public Utilities Commission principles regarding the modernization of the electric grid;

- (2) Requiring the Public Utilities Commission to initiate regulatory actions no later than July 1, 2014, to address upgrades to the Hawaii electric system for the anticipated growth of customer generation; and
- (3) Appropriating funds to the Public Utilities Commission and the Division of Consumer Advocacy of the Department of Commerce and Consumer Affairs for the costs of the regulatory actions initiated by the Commission.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the principles associated with the modernization of the electric grid;
- (2) Removing the provisions regarding the funding and commencement of a regulatory action by the Public Utilities Commission to address the technical, policy, and economic issues associated with the modernization of the electric grid;
- (3) Changing the effective date to upon its approval; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1943, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1943, H.D. 2, S.D. 2, C.D. 1.

Representatives Lee, Kawakami, Nishimoto, Yamashita and Thielen.  
Managers on the part of the House.

Senators Gabbard, Baker, Ige, Kouchi and Slom.  
Managers on the part of the Senate.

#### **Conf. Com. Rep. 143-14 on H.B. No. 1652**

The purpose of this measure is to support the University of Hawaii at Hilo College of Pharmacy by:

- (1) Establishing a five-year pilot program under which the University of Hawaii at Hilo College of Pharmacy will be financially and managerially autonomous;
- (2) Establishing the University of Hawaii at Hilo College of Pharmacy Special Fund;
- (3) Requiring, on January 1, 2015, and January 1 of each of the four years thereafter, the University of Hawaii at Hilo to report to the Legislature on the moneys in the University of Hawaii at Hilo College of Pharmacy Special Fund, including deposits, expenditures, and other transactions;
- (4) Requiring the College of Pharmacy at the University of Hawaii at Hilo to submit an annual financial and management report to the Board of Regents of the University of Hawaii, Governor, and Legislature at least 20 days prior to the convening of each regular session of the Legislature, commencing with the Regular Session of 2015 and ending with the Regular Session of 2019; and
- (5) Requiring the University of Hawaii System to perform a program evaluation to consider whether the College of Pharmacy should be continued.

Your Committee on Conference has amended the bill by:

- (1) Establishing a seven-member University of Hawaii at Hilo College of Pharmacy Board of Governors, which will serve in an advisory capacity to the Chancellor of the University of Hawaii at Hilo and will report to the University of Hawaii Board of Regents and the Chancellor of the University of Hawaii at Hilo;
- (2) Codifying the establishment of the University of Hawaii at Hilo College of Pharmacy Pilot Program and University of Hawaii at Hilo College of Pharmacy Special Fund;
- (3) Beginning on January 1, 2015, requiring the University of Hawaii at Hilo College of Pharmacy Board of Governors to report semi-annually to the Legislature on the moneys in the University of Hawaii at Hilo College of Pharmacy Special Fund;
- (4) Specifying that the University of Hawaii Board of Regents, rather than the University of Hawaii System, must perform a program evaluation to consider whether the College of Pharmacy should be continued;
- (5) Providing that if the University of Hawaii Board of Regents finds, as a result of its program evaluation, that the University of Hawaii at Hilo College of Pharmacy meets the criteria for success and sustainability, then the terms and conditions of the pilot program must be adopted and implemented as the operational structure for the College of Pharmacy;
- (6) Deleting the appropriation;
- (7) Changing its effective date to July 1, 2014, and establishing a sunset date of June 30, 2019; and
- (8) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes that funding for the construction of facilities for the University of Hawaii at Hilo College of Pharmacy has been appropriated in the Executive Budget bill, H.B. No. 1700, H.D. 1, S.D. 1, C.D. 1.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1652, H.D. 1, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1652, H.D. 1, S.D. 2, C.D. 1.

Representatives Choy, Luke, Cullen, Ichiyama, Tsuji and Matsumoto.  
Managers on the part of the House.  
(Representative Tsuji was excused.)

Senators Taniguchi, Ige, Espero, Kahele and Kidani.  
Managers on the part of the Senate.  
(Senators Espero and Kidani were excused.)

**Conf. Com. Rep. 144-14 on H.B. No. 2434**

The purpose and intent of this measure is to specify uses for transient accommodations tax revenues.

Specifically, this measure:

- (1) Specifies that transient accommodations tax revenues allocated pursuant to section 237D-6.5(b)(4), Hawaii Revised Statutes, shall only be allocated and expended by agreement of the Board of Land and Natural Resources and the Hawaii Tourism Authority in accordance with the Hawaii Tourism Authority strategic plan; and
- (2) Allocates \$3,000,000 of transient accommodation tax revenue to the special land and development fund.

Your Committee on Conference finds that a historic opportunity exists to acquire a conservation easement on lands at Turtle Bay on Oahu that would preserve in perpetuity public access to pristine oceanfront land that represent one of the finest examples of our State's natural beauty. The easement can be acquired by using transient accommodations tax revenue made available by refinancing the Hawaii Convention Center debt and thereby reducing the annual appropriation to the convention center enterprise special fund necessary to service that debt.

Accordingly, your Committee on Conference has amended this measure by deleting the amendments proposed in the Senate Draft 2 and inserting provisions that require the refinancing of the convention center debt and using the savings to acquire the conservation easement and provide \$3,500,000 of additional revenue to the general fund.

More specifically, your Committee on Conference has amended this measure by deleting its contents and replacing it with language that:

- (1) Requires the Hawaii Tourism Authority to obtain an appraisal and perform due diligence on the proposed conservation easement and property rights;
- (2) Authorizes the Hawaii Tourism Authority to issue \$40,000,000 in revenue bonds and to use those proceeds to acquire a conservation easement for lands at Turtle Bay on Oahu;
- (3) Establishes the Turtle Bay conservation easement special fund;
- (4) Annually allocates transient accommodations tax revenues of \$3,000,000 to the Turtle Bay conservation easement special fund for the Hawaii Tourism Authority to fund the debt service on the revenue bonds;
- (5) Reduces the transient accommodations tax revenue allocation to the convention center enterprise special fund from \$33,000,000 to \$26,500,000;
- (6) Provides an additional \$3,500,000 in transient accommodations tax revenue to the general fund;
- (7) Requires the Hawaii Tourism Authority and the Department of Budget and Finance to restructure the convention center debt owed to the Department of Budget and Finance to accommodate an annual payment of not more than \$16,500,000;
- (8) Establishes that if the debt restructuring cannot be achieved in accordance with certain financial benchmarks, then no moneys shall be expended; and
- (9) Inserts a provision that declares that the provisions of the measure are not severable.

Your Committee on Conference notes that, upon the retirement of the debt incurred to acquire the conservation easement at Turtle Bay, the continued application of the financing mechanism established by this measure will result in an additional \$3,500,000 being deposited into the general fund.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2434, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2434, H.D. 2, S.D. 2, C.D. 1.

Representatives Brower, Luke, Evans and Fale.  
Managers on the part of the House.

Senators Kahele, Solomon, Ige, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 145-14 on H.B. No. 1671**

The purpose of this measure is to change the amount of transient accommodations tax revenues allocated to the counties from \$93,000,000 to an unspecified percentage of revenues collected.

Your Committee on Conference finds that the Legislature, in enacting Act 161, Session Laws of Hawaii 2013, established a cap of \$93,000,000 on the amount of transient accommodations tax revenues allocated to the counties. Your Committee on Conference believes that increasing the maximum amount of transient accommodations tax revenues allocated to the counties will allow the counties to better provide for public safety, parks, road maintenance, and visitor-related services.

However, your Committee on Conference believes that a study to determine the appropriate division of duties and responsibilities to provide public services should be conducted before permanently establishing the transient accommodations tax revenue allocations between the State and counties. In light of this belief, your Committee on Conference has amended this measure by:

- (1) Changing the amount of transient accommodations tax revenues to be allocated to the counties from an unspecified percentage to \$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal year 2015-2016, and \$93,000,000 for each fiscal year thereafter;
- (2) Establishing a working group to evaluate the division of duties and responsibilities between the State and counties relating to the provision of public services and recommend the appropriate amount of transient accommodations tax revenues to be allocated to the counties; and
- (3) Changing the effective date to July 1, 2014.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1671, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1671, H.D. 1, S.D. 1, C.D. 1.

Representatives Brower, Luke, Cachola and Johanson.  
Managers on the part of the House.

Senators Kahele, Espero, Ige, Galuteria and Kidani.  
Managers on the part of the Senate.  
(Senator Espero was excused.)

**Conf. Com. Rep. 146-14 on H.B. No. 1692**

The purpose and intent of this measure is to adopt the recommendations made by the Auditor in Report No. 13-09 to improve the efficiency, transparency, and accountability of the Hawaii Tourism Authority.

Specifically, this measure:

- (1) Requires the Authority's tourism marketing plan to be a single, comprehensive document;
- (2) Defines the "Hawaii brand" as the programs that collectively differentiate the Hawaii experience from other destinations;
- (3) Requires the Hawaii Tourism Authority to have a permanent, strong focus on Hawaii brand management, rather than marketing and promotion;
- (4) Authorizes the Hawaii Tourism Authority to withhold competitively sensitive information from public disclosure; and
- (5) Requires the Hawaii Tourism Authority to include its tourism marketing plan along with program and expenditure information in its annual report to the Legislature.

Your Committee on Conference has amended this measure by:

- (1) Removing the requirement that the Hawaii Tourism Authority include its tourism marketing plan in its annual report to the Legislature; and
- (2) Changing the effective date to upon its approval.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1692, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1692, H.D. 2, S.D. 2, C.D. 1.

Representatives Brower, Luke, Cachola and Fale.  
Managers on the part of the House.  
(Representative Fale was excused.)

Senators Kahele, Ige, Ihara, Keith-Agaran and Slom.  
Managers on the part of the Senate.

**Conf. Com. Rep. 147-14 on H.B. No. 1638**

The conference draft of the Judiciary supplemental budget adjusts the Judiciary's appropriation for fiscal year 2014-2015 by adding \$2,568,954 in general funds. The Judiciary's request was to add \$4,785,804 in general funds.

Your Committee on Conference approves \$334,788 in general funds requested for judges' salary increases, as recommended by the Commission on Salaries and authorized by the 2013 Legislature.

Your Committee on Conference also approves \$26,906 in general funds to fund the additional salary amounts for the Administrative Director and Deputy Administrative Director of the Courts. Approval of this funding provides for salary compensation levels comparable to that of other state officials whose salaries have been systematically adjusted for pay increases and changes in the cost of living over the years.

Your Committee on Conference also approves \$281,314 in general funds to upgrade the recording equipment in fourteen courtrooms at the Ronald T.Y. Moon Judiciary Complex in Kapolei. Updating the current Jefferson Audio Visual System (JAVS) hardware and software is necessary to maintain operations throughout the complex and improve the quality of services for members of the public and Judiciary staff.

Your Committee on Conference also approves two special duty officers and \$147,600 in general funds for the Third Circuit. This position authorization will provide dedicated special duty police officers at both the Kona Family Court and Kona Circuit Court to address the ongoing sheriff staffing problems at the facilities.

Your Committee on Conference also approves \$300,000 in general funds to provide purchase of service funding for juvenile and adult client services. Purchase of service funds will aid in providing the treatment and program services necessary to reduce recidivism among juvenile and adult offenders.

Your Committee on Conference also approves \$94,900 in general funds to replace the Children's Justice Center interview recording equipment state-wide. The highest priority of the Center is to provide a familiar and neutral facility to interview child abuse victims and crime witnesses. Thus far, the Center has interviewed over twenty-five thousand child abuse victims, primarily victims of sexual abuse and sexual assault. It is imperative for the Center to have reliable equipment to record these types of interviews.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1638, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1638, H.D. 2, S.D. 2, C.D. 1.

Representatives Rhoads, Luke, Nishimoto and Thielen.  
Managers on the part of the House.

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

**Conf. Com. Rep. 148-14 on H.B. No. 1700**

**PART I. OVERVIEW**

Your Committee on Conference has approved an executive supplemental budget bill that reduces the appropriation amounts requested by the Administration. The Conference Draft appropriates \$159,239,203 in all funds, inclusive of \$65,709,287 in general funds, for fiscal year 2014-2015. The Conference Draft also reduces the appropriation of all funds for fiscal year 2013-2014 by \$92,507,527, the majority of which comprises general funds. The following table displays the results of your Committee on Conference's actions.

	Fiscal Year 2013-2014		Fiscal Year 2014-2015	
	All Funds	Gen. Funds	All Funds	Gen. Funds
Executive Supplemental Request (Including Governor's Messages)	(53,414,636)	(53,417,636)	273,612,110	200,154,616
Conference Draft Appropriation Adjustment	(39,092,891)	(38,814,391)	(114,372,907)	(134,445,329)
Net Change	(92,507,527)	(92,232,027)	159,239,203	65,709,287

Your Committee on Conference emphasizes that the total general fund *reduction* to the supplemental budget request in fiscal years 2013-2014 and 2014-2015 exceeds \$173 million.

In the interest of full disclosure, however, your Committee on Conference notes that a portion of the \$134.4 million general fund reduction in fiscal year 2014-2015 is derived from programs that your Committee intends to fund through separate bills. Reductions have been made from supplemental budget requests for the Hawaii Invasive Species Council, Kupuna Care, and other senior citizens programs. Appropriations for those programs are included in joint majority package bills (S.B. No. 2343/H.B. No. 1716 and S.B. No. 2346/H.B. No. 1713).

The net change of the Conference Draft results in an executive budget for fiscal biennium 2013-2015 of the following:

	Fiscal Year 2013-2014		Fiscal Year 2014-2015	
	All Funds	Gen. Funds	All Funds	Gen. Funds
2013 Exec. Budget Act 134	11,819,318,188	6,036,556,466	11,988,000,674	6,123,494,985
Net Change of Conference Draft	(92,507,527)	(92,232,027)	159,239,203	65,709,287
Total Appropriation	11,726,810,661	5,944,324,439	12,147,239,877	6,189,204,272

## PART II. STATE'S FISCAL SITUATION

Your Committee on Conference finds that the expectations of state departments and other parties requesting funds from the Legislature are unrealistic in light of the State's fiscal situation. Fiscal year 2012-2013 ended with a carryover balance of \$844,000,000. This was a cumulative result of four years of austere budgets, revenue changes, furloughs, and layoffs. Sacrifices were made by everyone -- families, businesses, and government. The ending balance for fiscal year 2012-2013 was already being used to fund expenses such as collective bargaining and other fixed cost increases before deliberations began on the supplemental budget in December 2013.

On March 11, 2014, the Council on Revenues reduced revenue projections for the current and next fiscal bienniums. The following table displays the differences between the Council's tax revenue and Department of Budget and Finance's non-tax revenue projections of March 11, 2014, and January 7, 2014, and the cumulative impact of the reduced revenue projections.

COUNCIL ON REVENUES' TAX REVENUES & DEPARTMENT OF BUDGET AND FINANCE'S NON-TAX REVENUES (03/11/14)							
	FY12-13	FY13-14	FY14-15	FY15-16	FY16-17	FY17-18	FY18-19
COR & B&F 03/11/14	6,233.0	6,133.5	6,360.0	6,643.6	7,009.3	7,409.3	7,784.6
COR & B&F 01/07/14	6,233.0	6,323.0	6,662.3	7,128.5	7,512.0	7,939.2	8,349.2
DIFFERENCE	0.0	(189.5)	(302.3)	(484.9)	(502.7)	(529.9)	(564.6)
<b>CUMULATIVE IMPACT (Sum of the Differences of Previous Years)</b>	NA	(189.5)	(491.8)	(976.7)	(1,479.4)	(2,009.3)	(2,573.9)

When compared against the Council on Revenues' January 7, 2014, projection, the table indicates that general fund revenues now available for state budgets are \$189,500,000 less in fiscal year 2013-2014 and \$491,800,000 less in fiscal year 2014-2015.

Despite these fiscal challenges, as stewards of the taxpayers' money, your Committee on Conference has an obligation to spend wisely on today's needs while ensuring that there are sufficient funds to address future challenges. Your Committee on Conference commits to the following:

- (1) Maintaining contributions to pay the other post-employment benefits unfunded liability according to the schedule set forth in Act 268, Session Laws of Hawaii 2013; and
- (2) Supporting budget reserves of at least \$200,000,000 by the end of fiscal year 2013-2014, growing to over \$270,000,000 by the end of fiscal year 2014-2015.

Your Committee on Conference recognizes that the current unprecedented budget surplus was the result of a collective effort. As a result, the State finds itself in a unique position to:

- (1) Continue the work done a year ago in the biennium budget to provide stability to the State's overall financial outlook;
- (2) Strengthen core programs;
- (3) Increase transparency in how taxpayer money is spent; and
- (4) Strategically plan for the long term through the supplemental budget.

Your Committee on Conference has approved this bill with general fund appropriations of much less than those requested in the Administration's initial proposal. Your Committee on Conference has done so after reviewing the different priorities of the Senate and House, the departments, and the community. Your Committee on Conference is satisfied that the programs and projects funded in this bill are all deserving of legislative support. In sum, your Committee on Conference finds that this bill represents a balance among the needs of the beneficiaries of state government, the availability of projected future revenues, and the preservation of adequate reserves.

Your Committee on Conference notes that, due to the projected reduction of the general fund tax revenue growth rates, the State's financial plan will show negative revenues over expenditures annually at least through fiscal year 2016-2017. The State will avoid violating the constitutional requirement for a balanced operating budget, however, by drawing down carefully on the \$844,000,000 ending balance.

**PART III. OPERATING BUDGET**Accounting and General Services

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,260,229 in general funds and adding \$731,357 in non-general funds. The Administration's supplemental budget request was to add \$9,974,039 in general funds and \$652,384 in non-general funds.

Your Committee on Conference approves one position and \$87,071 in general funds for school repair and maintenance on the neighbor islands. The position will be stationed in West Hawaii to manage and maintain service level agreement performance requirements. Remaining funds will provide for two existing positions for plumbing work orders and to reduce the backlog of repairs and projects at school facilities.

Your Committee on Conference also approves \$366,846 in general funds for utilities to cover projected shortfalls at the Hawaii and Maui Central Services District Offices. Recurring increases in electricity, sewer, and water rates have caused the cost of utilities to outpace custodial budgets. This appropriation provides the necessary funding to meet escalating utility costs and prevent operational deficiencies that could impact the health and safety of the public and staff.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$378,973 in special funds for salaries in Information Management and Technology Services (AGS130/EG);
- (2) Adding \$200,000 in federal funds for Statewide Voter Registration System (AGS879/OA); and
- (3) Adding one position and \$92,400 in special funds for State Archives Preservation (AGS111/DA).

Agriculture

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$25,000 in general funds and for fiscal year 2014-2015 by adding \$346,309 in general funds and \$1,456,608 in non-general funds. The Administration's supplemental budget request was to add \$4,163,080 in general funds and \$1,219,940 in non-general funds for 2014-2015.

Your Committee on Conference approves four positions and \$96,309 in general funds to address concerns on pesticide use. Three positions will conduct pesticide inspections, maintain pesticide surveillance activities, and provide pesticide education services to help communities understand the requirements of pesticides regulations. One position will assist in the preparation of enforcement actions to ensure compliance with laws governing the use of pesticides. To further supplement the pesticide regulatory capability, your Committee on Conference approves \$400,000 in revolving funds for operating and maintenance costs in the Pesticides Branch.

Your Committee on Conference also approves \$250,000 in general funds for vacation payouts to promote "truth in budgeting." The funds may be used only to pay the accumulated vacation compensation owed to employees leaving the Department of Agriculture. This is intended to obviate the need for the department to keep positions vacant for a certain period in order to use the savings for vacation payouts.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$410,000 in interdepartmental transfer funds for positions formerly paid with Department of Transportation special funds in Animal Disease Control (AGR132/DC);
- (2) Adding \$265,000 in revolving funds for vehicles and equipment for Molokai Irrigation System in Agricultural Resource Management (AGR141/HA); and
- (3) Adding \$420,000 in revolving funds for payroll shortfall and expenditures for new land, infrastructure, and facilities in Agribusiness Development and Research (AGR161/KA).

Attorney General

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$940,982 in general funds and \$1,011,216 in non-general funds. The Administration's supplemental budget request was to add \$5,330,019 in general funds and \$2,126,113 in non-general funds.

Your Committee on Conference approves six positions and \$452,330 in interdepartmental transfer funds for the Tax Team for the Delinquent Tax Collection Project. The Tax Team of two deputy attorneys general and four legal assistants will enforce established and recorded tax liens and work on other tax recovery cases.

Your Committee on Conference also approves two positions, \$365,296 in special funds, and \$35,000 in general funds to regulate charitable societies and to relocate the Charities Unit of the Tax and Charities Division. The addition of one deputy attorney general and one legal assistant will provide oversight for over two thousand eight hundred registered charitable organizations. The relocation of the Unit will accommodate the Unit's growth as the number of registered charitable organizations increases.

Your Committee on Conference also approves two positions and \$216,870 in interdepartmental transfer funds to establish deputy attorney general positions that will serve the Department of Education and the Office of Information Management Technology.

Your Committee on Conference also approves one position and \$31,568 in general funds for the Internet Crimes Against Children (ICAC) Task Force. The ICAC Task Force investigates and prosecutes internet crimes that target children and increases public awareness of the dangers of online predators.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$280,000 in general funds for vacation payouts to promote "truth in budgeting" (ATG100). See the discussion of the concept under the "Agriculture" section;
- (2) Adding \$800,000 in other federal funds for anticipated federal awards in State Criminal Justice Information and Identification (ATG231/BC); and
- (3) Adding \$200,000 in general funds for the Automated Fingerprint Identification System (AFIS) upgrade and lease financing in State Criminal Justice Information and Identification (ATG231/BA).

#### Budget and Finance

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$64,617,636 in general funds and adding \$3,000 in non-general funds and for fiscal year 2014-2015 by reducing \$30,807,969 in general funds and adding \$1,158,894 in non-general funds. The Administration's supplemental budget request was to reduce \$53,417,636 in general funds and add \$3,000 in non-general funds for fiscal year 2013-2014 and reduce \$25,586,719 in general funds and add \$1,246,619 in non-general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$15,185,356 in general funds for fiscal year 2013-2014 and \$15,292,859 in general funds for fiscal year 2014-2015 for pension accumulation and Social Security/Medicare payments. These appropriations provide for mandatory retirement contributions for individuals employed by the State, the Department of Education, and the University of Hawaii.

Your Committee on Conference also approves \$5,476,009 in general funds for fiscal year 2014-2015 for health premium payments for active employees, as proposed in Governor's Messages submitted to the Legislature after the convening of the 2014 Regular Session.

Your Committee on Conference also approves \$64,806 in general funds for charter school collective bargaining supplemental agreements. The department did not provide this amount to charter schools because of a calculation error. Although this amount was requested under EDN600, your Committee on Conference has more appropriately placed the appropriation under BUF101.

Your Committee on Conference also approves two positions and \$81,420 in general funds for the Office of the Public Defender. The two additional positions will support the Public Defenders in specialty, District, Family, and Circuit Courts.

#### Business, Economic Development, and Tourism

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$715,665 in general funds and \$58,453,098 in non-general funds. The Administration's supplemental budget request was to add \$15,774,353 in general funds and \$64,574,288 in non-general funds.

Your Committee on Conference approves \$500,000 in special funds for new energy technologies to support clean energy goals pursuant to section 269-92, Hawaii Revised Statutes. These funds will leverage federal and private resources for use as investment capital for companies within the Energy Excelsior, through a non-profit organization.

Your Committee on Conference also approves \$50,000,000 in special funds from Green Energy Market Securitization (GEMS) bond proceeds for the purposes of the Hawaii Green Infrastructure Loan Program, in accordance with section 196-65, Hawaii Revised Statutes. This increases the amount of GEMS bond proceeds available for deployment as green infrastructure loans to a total of \$150,000,000 in fiscal year 2014-2015. Utilization of the proceeds will expand the loan program to make green infrastructure installations accessible and affordable to more of Hawaii's underserved ratepayers, achieve measurable cost savings, and further Hawaii's clean energy goals.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$250,000 in general funds for the Beijing and Taipei state offices in Strategic Marketing and Support (BED100/SM);
- (2) Adding \$100,000 in general funds for the creative lab accelerator program in Creative Industries (BED105/CI);
- (3) Adding \$475,000 in special funds for subject matter expertise for advancement of renewable energy projects in Environment and Energy Development (BED120/SI); and
- (4) Adding \$250,000 in special funds for subject matter expertise and technical services for Public Utilities Commission docket activities and stakeholder support in Environment and Energy Development (BED120/SI).

#### Commerce and Consumer Affairs

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$3,829,348 in non-general funds. The Administration's supplemental budget request was to add \$95,045 in general funds and \$3,644,670 in non-general funds.

Your Committee on Conference approves \$700,000 in special funds for consultants to handle new and complex issues affecting renewable energy initiatives. The consultants will offer additional analysis intended to expedite and facilitate actions critical to Hawaii's utility regulatory efforts.

Your Committee on Conference also approves six positions and \$481,124 in special funds for oversight of health plans for the Hawaii Health Connector. Three positions will assist with reviewing premium rates, and three positions will assist with reviewing the qualifications of health plans for the Hawaii Health Connector.

Your Committee on Conference also approves \$175,000 in special funds to migrate the department's e-mail system from a server-based Lotus Notes platform to a cloud-based Microsoft system. This switch is intended to standardize systems among all departments and agencies.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding two positions and \$263,796 in special funds for the Hawaii Post-Secondary Education Authorization Program (CCA107/IA);
- (2) Adding \$110,000 in trust funds to cover claims and other expenses from the mortgage loan recovery fund in the Division of Financial Institutions (CCA104/BA); and
- (3) Adding \$2,000,000 in trust funds for transfer to the Department of Labor and Industrial Relations for a capital improvement program grant awarded in 2013 to the Hawaii Public Television Foundation (CCA102/FA).

#### Defense

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$2,535,641 in general funds and \$2,477,549 in non-general funds. The Administration's supplemental budget request was to add \$1,884,484 in general funds and \$2,541,356 in non-general funds.

Your Committee on Conference approves \$629,295 in general funds and \$967,083 in federal funds for electricity in the Kalaeloa area to cover a projected shortfall. The funds will alleviate increasing electricity costs at Hawaii Army National Guard facilities.

In anticipation of increased real estate and maintenance costs, including costs for grounds, refuse, custodial contracts, and supplies, your Committee on Conference also approves \$602,346 in general funds and \$1,807,041 in federal funds for utilities and custodial services at the three new buildings on the Hawaii Air National Guard campus.

Your Committee on Conference also approves two positions and \$227,200 in federal funds for the Homeland Security Office to coordinate security planning and preparedness activities with all agencies. The positions will oversee the monitoring of threats, evaluation of response exercises, and the administration of planning and preparedness grants.

Your Committee on Conference also approves \$104,000 in general funds for equipment at the Keaukaha Military Reservation Building. Since the building is scheduled for occupancy in May 2014, the furnishings will provide essential safety features and a nurturing environment for the attending cadets of the Youth Challenge Academy.

Your Committee on Conference also approves \$1,000,000 in general funds for mitigation of hazardous situations pursuant to section 128-10.3, Hawaii Revised Statutes. The funds are intended to eliminate or mitigate the threat that hazardous natural conditions pose to residents, such as unstable or overgrown trees.

#### Education

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$127,576 in general funds and for fiscal year 2014-2015 by adding \$41,534,247 in general funds and \$2,004,550 in non-general funds. The Administration's supplemental budget request was to add \$42,271,421 in general funds and \$1,888,850 in non-general funds for fiscal year 2014-2015.

#### *Regular Education*

Your Committee on Conference approves \$15,000,000 in general funds for the Weighted Student Formula (WSF) in School-Based Budgeting. These funds go directly to schools to provide resources for students. Your Committee reiterates its intent that all funds appropriated for the WSF be expended at the discretion of principals and that the use of the funds shall not be directed by the central office, district, or complex.

Your Committee on Conference also approves \$9,000,000 in general funds to account for a projected shortfall in the department's utilities budget. This funding will pay for utility shortfalls that resulted from overly optimistic energy savings assumptions for fiscal year 2014-2015 under the department's proposed Energy Efficiency and Sustainability Master Plan. Pilot installations of photovoltaic systems at a number of schools were delayed due to interconnection circuit problems that prevented Hawaiian Electric from issuing net energy metering agreements.

Your Committee on Conference also approves \$3,664,694 in general funds to provide special education services to qualifying students up to age twenty-two. On August 28, 2013, the federal Ninth Circuit Court of Appeals ruled that the Individuals with Disabilities Education Act (IDEA) prohibited the State of Hawaii from restricting special education services eligibility to qualifying individuals up to age twenty. This funding will be used to provide a free appropriate public education for eligible students with special needs in compliance with the court ruling.

Your Committee on Conference also approves twenty-one temporary positions and \$1,925,472 in general funds to implement the Strive-HI performance system. Strive-HI is the foundation of Hawaii's Elementary and Secondary Education Act (ESEA) Waiver, which replaces the No Child Left Behind Act (NCLB). The funds and positions appropriated will be used to form Complex Area Support Teams (CAST) that serve schools designated as "Focus" and "Priority" under the new Strive-HI classification. Focus and Priority schools are those that struggle to meet the educational standards outlined in the State's ESEA Waiver.

Your Committee on Conference also approves \$2,000,000 in general funds for the restoration of school athletics programs. State funding for athletic programs has been significantly reduced from fiscal year 2008-2009 when \$13,337,483 was allocated for student sports. Currently, fiscal year 2014-2015 allocates \$9,193,798 for athletic programs. Reductions in athletic program funding have created additional challenges for neighbor island schools as athletes must travel to compete. Funding cuts have forced athletic teams to maintain smaller rosters, attend fewer events, and use worn equipment. It has also led to a loss of forty department-wide athletics staff positions. This appropriation will help restore funding to historically budgeted levels.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$600,000 in general funds for the Educator Evaluation System to measure teacher effectiveness (EDN200/GD);
- (2) Adding \$256,000 in general funds for statewide teacher induction and mentoring (EDN300/KO);
- (3) Adding \$579,208 in general funds for the Professional Development Management System (PDE3) annual subscription in the State Administration (EDN300/KO); and
- (4) Adding \$200,000 in general funds for Alternate Teacher Route Contracts, including Teach for America (EDN300/KD).

#### *Public Libraries*

Your Committee on Conference approves \$600,000 in general funds to support operational expenses for fiber optic connectivity at all public libraries. Through Broadband Technology Opportunities Program (BTOP) grants, the Hawaii State Public Library System has installed a high speed broadband connectivity network that provides public access computing to users statewide. This appropriation will allow the Library System to purchase necessary computer equipment to complete the BTOP initiative and will fund the necessary telecommunication expenses.

Your Committee on Conference also approves \$685,000 in general funds for increased electricity costs at all Hawaii State Public Libraries. Over the last six years, rate increases have caused a shortfall in the electricity budget that the Public Library System will no longer be able to accommodate with its current operating budget.

#### *Charter Schools*

Your Committee on Conference approves three positions, \$2,004,550 in federal funds, and \$62,000 in general funds for the Public Charter Schools' federal program support staff and federal grants. Most of the federal funds received by the State Public Charter School Commission will be transferred directly to the schools.

Your Committee on Conference also approves \$800,000 in general funds for the State Public Charter School Commission's operating and administrative costs. This additional appropriation is on top of the per pupil allocation and will allow schools to retain more resources for students during fiscal year 2014-2015. To supplement the allocation, a proviso allows the Commission to transfer, if necessary, up to \$560,000 from the per pupil allocation to pay for its operating and administrative costs.

Your Committee on Conference also approves \$134,802 in general funds for per pupil funding for charter school students, which is scaled to match allocations provided to the Department of Education for non-charter public school students. This amount was calculated using general fund amounts appropriated by the Conference Draft for EDN100, EDN200, EDN300, and EDN400 for fiscal year 2014-2015 and projected student enrollment for the Department of Education and charter schools. The Commission provided an updated projected enrollment of 10,922 students for the 2014-2015 school year, which is a decrease from the 11,350 student projection that provided the basis for the supplemental budget request. Based on these figures, the Conference Draft provides an average general fund amount for each charter school and regular education student of \$6,263. This increases the average general fund amount for each student for the 2014-2015 school year from the amount of \$6,046 that was calculated during the prior Regular Session.

#### *Early Learning*

The Conference Draft approves \$3,000,000 in general funds for a school readiness program under EDN700 (Early Learning) by establishing twenty-one pre-kindergarten classrooms on Department of Education campuses. This appropriation is intended to allow an estimated four hundred twenty children to attend pre-kindergarten classes in a statewide pilot partnership between the Department of Education and the Executive Office on Early Learning.

#### Hawaiian Home Lands

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by reducing \$146,259,466 in non-general funds. The Administration's supplemental budget request was to add \$5,387,204 in general funds and reduce \$160,976,957 in non-general funds.

Your Committee on Conference finds it prudent to wait for the outcome of pending court proceedings to determine what constitutes "sufficient sums" for the department's administrative and operating expenses. Accordingly, the Legislature has appropriated \$9,632,000 in general funds annually for the 2013-2015 fiscal biennium. As such, the findings on pages 19 and 20 in Conference Committee Report No. 105 for H.B. No. 200, H.D. 1, S.D. 1, C.D. 1, 2013 (enacted as Act 134, Session Laws of Hawaii 2013) are hereby incorporated by reference.

Your Committee on Conference notes that it has approved the reduction of \$146.2 million of the trust fund appropriation for the Department of Hawaiian Home Lands for fiscal year 2014-2015, but denied the reduction of another \$10.8 million for salaries, fringe benefits, and other current expenses. In essence, your Committee on Conference provides in the Conference Draft a net trust fund appropriation for fiscal year 2014-2015 of \$10.8 million for 81.00 positions and their associated current expenses. Your Committee on Conference does not intend that the \$10.8 million net trust fund appropriation be construed as a ceiling that prohibits the department from expending trust funds above that amount for programs and projects to fulfill its duties. Your Committee on Conference finds that the department has the authority to expend trust funds at its discretion. Your Committee on Conference does not intend to intrude into that authority, but has maintained the appropriation of trust funds for personnel in order to display legislative intent regarding the funding of the department's personnel and other current expenses.

#### Health

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$100,000 in general funds and for fiscal year 2014-2015 by adding \$2,760,296 in general funds and reducing \$2,153,227 in non-general funds. The Administration's supplemental budget request was to add \$32,549,582 in general funds and reduce \$2,439,857 in non-general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$1,183,384 in general funds for the home- and community-based services waiver program administered

by the department's Developmental Disabilities Division. This funding is to address a deficit caused by fiscal year 2011-2012 program review reductions and adjust for projected growth rates and increased service requirements mandated under the Makin Settlement Agreement.

Your Committee on Conference also approves \$1,232,495 in general funds for Early Intervention Section purchase of services contracts. The state Early Intervention Section (EIS) is a federal and state mandated program that provides services to support the development of infants and toddlers from birth to three years of age. As a result of prior year reductions-in-force, the EIS program increased purchase of service (POS) contract expenditures to maintain services impacted by the loss of staff. This has caused recurring deficits in the program's POS funding since fiscal year 2011-2012. The Conference Draft addresses a projected shortfall in fiscal year 2014-2015 and prevents an unlawful diminution of services that may result from insufficient funding.

Your Committee on Conference also approves \$750,000 in general funds for statewide health information exchange infrastructure advancement. This funding will be used to support health information technology priorities, including the department's Hawaii health emergency syndromic surveillance system and the Hawaii health information exchange fiscal year 2014-2015 operations.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$354,504 in general funds for the State's share of intermediate care facilities in Developmental Disabilities State Match for Title XIX Programs (HTH501/CN); and
- (2) Adding \$797,000 in other federal funds for upgrades to the Hawaii criminal background check system in Health Care Assurance (HTH720/MP).

To support community-based programs designed to provide services for all elder persons in the State, your Committee on Conference supports appropriations through joint majority package bills, S.B. No. 2346/H.B. No. 1713, that include additional funds for kupuna care and other programs.

#### *Hawaii Health Systems Corporation*

Your Committee on Conference approves \$5,000,000 in general funds for fiscal year 2014-2015 for the Hawaii Health Systems Corporation (HHSC). The appropriation is intended to mitigate HHSC's operating budget shortfall caused by federal sequestration and reimbursement reductions, collective bargaining costs, and other factors. Your Committee on Conference notes that it intends to provide HHSC with an additional \$15,000,000 in general funds through S.B. No. 2866, as an emergency appropriation for fiscal year 2013-2014.

Your Committee on Conference also approves \$2,000,000 in general funds to continue the HHSC residency program in fiscal year 2014-2015. Administered by Hilo Medical Center, the primary care training program will help increase the number of physicians available within the State. This funding is intended to address the significant shortage of primary care providers at Hawaii hospitals.

#### Human Services

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$6,386,815 in general funds and for fiscal year 2014-2015 by adding \$16,012,818 in general funds and \$76,682,907 in non-general funds. The Administration's supplemental budget request was to add \$42,205,825 in general funds and \$81,339,887 in non-general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$1,500,000 in general funds to continue the homeless program's Housing First initiative in fiscal year 2014-2015. These funds will be used in conjunction with the Substance Abuse Mental Health Services Administration grant to allow a greater percentage of program resources to go to direct housing costs. This will provide funding for the third year of the Housing First initiative and is expected to afford transitional housing support and stability services to chronic homeless individuals throughout the State.

Your Committee on Conference also approves \$5,546,076 in general funds and \$2,956,860 in federal funds to adjust monthly foster board rates to the three-tier aged-based system and funding levels cited in the United States Department of Agriculture's report, Expenditure on Children by Families. The report finds that the monthly cost of raising a child in the urban Western region averages \$576 for children aged 0-5; \$650 for children aged 6-11; and \$676 for youth aged 12-21. Hawaii's monthly foster care board rate is currently \$529.

Your Committee on Conference also approves \$500,000 in general funds for the Resources for Enrichment, Athletics, Culture, and Health Initiative (REACH). This funding will continue the REACH pilot project to provide a framework for intermediate school after-school programs that do not receive federal funding through the Uniting Peer Learning, Integrating New Knowledge program.

Your Committee on Conference also approves the transfer of four positions and \$9,191,840 in general funds from the Department of Health's Adult Mental Health Division to the Department of Human Services' MedQuest Division, to consolidate payments and services for adults with severe and persistent mental illness (SMI) who are Medicaid eligible. The consolidation of the payments and provision of these services under MedQuest draws an additional \$2,015,055 in federal matching funds. This will provide more resources to broaden and improve Medicaid-eligible SMI services. Further, administration under a single agency facilitates service continuity and simplifies access to service providers and case management for eligible beneficiaries.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$273,752 in general funds for utility rate increases at Kalaeloa shelters in Homeless Programs (HMS224/HS);
- (2) Adding \$147,147 in general funds for the adult protective services best practices model in Adult and Community Care Services (HMS601/TA);
- (3) Adding \$260,000 in general funds and \$260,000 in federal funds for an Asset Verification System for aged, blind, and disabled services in General Support for Health Care Payments (HMS902/IA);
- (4) Adding \$500,000 in general funds for social security advocacy services in General Support for Self-Sufficiency Services

(HMS903/FA); and

- (5) Adding \$300,000 in federal funds for outreach services to families and individuals who may qualify for benefits under the Supplemental Nutrition Assistance Program in General Support for Self-Sufficiency Services (HMS903/FA).

#### Labor and Industrial Relations

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$1,947,838 in general funds and reducing \$33,504,565 in non-general funds. The Administration's supplemental budget request was to add \$896,963 in general funds and reduce \$33,522,368 in non-general funds.

Your Committee on Conference approves two positions, \$22,065 in general funds, and \$31,341 in federal funds for the Hawaii Occupational Safety and Health program (HIOSH) to mitigate persistent staffing challenges associated with maintaining staff levels and inspection quotas of federally required benchmarks. Minimal staffing and elevated attrition rates create a constant risk for HIOSH to fall below benchmarks in the event of a vacancy. These two positions will provide the staffing and operational capacity required for HIOSH to remain in compliance with federal requirements and regain the desirable 18(e) status of the Occupational Safety and Health Act of 1970, to retain the program under state purview.

Your Committee on Conference also approves \$200,000 in general funds for vacation payouts to promote "truth-in-budgeting." See the discussion of this concept under the "Agriculture" section.

#### Land and Natural Resources

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$2,761,983 in general funds and \$15,335,697 in non-general funds. The Administration's supplemental budget request was to add \$13,688,226 in general funds and \$12,337,261 in non-general funds.

Your Committee on Conference approves \$4,000,000 in general funds and special funds for the State's 2016 bid to host the International Union for Conservation of Nature Congress (IUCN). This is an international convention regarding sustainable resource management, climate change, and nature conservation. If awarded the bid, Honolulu will be the first city in the United States to host the IUCN.

Your Committee on Conference also approves twelve temporary positions and \$800,000 in general funds for the Community Fisheries Program. The funds will support the Maui program and expand the program to Hawaii, Kauai, and Oahu. The program has shown results in reducing ocean-related violations on Maui as well as expanding community educational outreach.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$1,300,000 in special funds for information management system redesign and upgrade in Public Land Management (LNR101);
- (2) Adding \$500,000 in special funds for Kauai fire mitigation and reforestation in Forestry Resources Management and Development (LNR172/DA);
- (3) Adding \$577,000 in general funds for personal services, current operating expenses, and equipment in Conservation and Resource Enforcement (LNR405);
- (4) Adding \$1,000,000 in the special funds for Natural Resource Management Protection (LNR407/NA); and
- (5) Adding \$700,000 in special funds for park projects in Parks Administration (LNR806/FI).

The Conference Draft does not include \$1,000,000 in general funds for the Hawaii Invasive Species Council. Your Committee on Conference prefers to appropriate additional funds for the Council through a separate joint majority package bill, S.B. No. 2343/H.B. No. 1716.

#### Public Safety

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$20,500,000 in general funds and for fiscal year 2014-2015 by reducing \$195,590 in general funds and adding \$127,116 in non-general funds. The Administration's supplemental budget request for fiscal year 2014-2015 was to add \$4,099,594 in general funds and \$527,116 in non-general funds.

Your Committee on Conference approves twenty positions and \$786,718 in general funds for mental health care in correctional centers. The State was previously subject to a federal Department of Justice settlement dictating the necessary level of mental health care to be provided at Oahu Community Correctional Center. These positions will bring the remainder of the State's correctional facilities up to national standards for mental health treatment and reduce the State's liability in providing a minimum level of care.

Your Committee on Conference also approves sixteen positions and \$415,888 in general funds for suicide and hospital watch at two correctional facilities on Oahu. These positions will provide dedicated adult corrections officers to reduce suicides and provide proper security for inmate hospital visits. Dedicated hospital and suicide watch officers will significantly reduce overtime expenses incurred by the department.

Your Committee on Conference also approves \$2,000,000 in general funds for the Justice Reinvestment Initiative and other program costs in General Administration.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$270,000 in general funds for security camera surveillance systems at Oahu, Kauai, and Halawa Community Correctional

Centers;

- (2) Adding \$125,000 in general funds for central building emergency exit doors in Maui Community Correctional Center (PSD406/EH);
- (3) Adding \$148,500 in general funds for replacement body armor in Sheriff's Division (PSD503/CC); and
- (4) Adding \$200,000 in special funds for the Statewide Automated Victims Information and Notification System in General Administration (PSD900/EA).

#### Taxation

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2013-2014 by reducing \$475,000 in general funds and for fiscal year 2014-2015 by adding \$787,826 in general funds. The Administration's supplemental budget request was to add \$1,107,028 in general funds for fiscal year 2014-2015.

Your Committee on Conference approves \$223,656 in general funds for fourteen positions in various tax compliance offices across the State. Half a year of funding for these positions is currently appropriated. This amount will provide for a full year of salary funding for the positions.

Your Committee on Conference also approves \$440,000 in general funds to pay for the costs incurred by the Attorney General's Collection Section on behalf of the department. Under the Memorandum of Understanding with the Attorney General dated May 23, 2013, the department is obligated to pay for the additional costs in order to pursue collection litigation.

Your Committee on Conference also approves \$36,546 in general funds for two Delinquent Tax Collection Assistants, one for the Hawaii District Office and the other for the Kauai District Office. These positions will improve the ability of the offices to handle workloads and increase revenue collection goals.

#### Transportation

The Conference Draft of the executive supplemental budget adjusts the department's appropriation for fiscal year 2014-2015 by adding \$28,424,984 in non-general funds. The Administration's supplemental budget request was to add \$27,660,892 in non-general funds.

#### *Airports*

Your Committee on Conference approves \$6,000,000 in special funds for routine maintenance of the baggage handling and explosives detection system at the Honolulu International Airport and Kahului Airport. The system is required by the Transportation Security Administration (TSA). Improvements will include distribution of electrical power to the lobbies and existing outbound baggage conveyor system and additional system controls to allow TSA to automatically operate and monitor the bags from the on-screen resolution room.

Your Committee on Conference also approves \$4,000,000 in special funds for pavement-marking rehabilitation at eight airports. Maintaining the pavement markings is a requirement of the Federal Aviation Administration. The funds will provide human resources and equipment to address areas of failure.

Your Committee on Conference also approves \$7,359,000 in special funds to purchase additional Wiki Wiki buses to accommodate international passengers waiting to be transported to the United States Customs and Border Protection at Honolulu International Airport.

#### *Harbors*

Your Committee on Conference approves \$1,500,000 in special funds for Honolulu Harbor and Kalaheo Harbor to expand the storm drain cleaning and pollution control program on Oahu and another \$1,300,000 in special funds for other expenses that may be incurred under the federal Clean Water Act.

Your Committee on Conference also approves six positions and \$958,028 in special funds in Harbors Administration to assist with existing clean water regulations. One position in the environmental section will coordinate the Storm Water Management program and ensure compliance with small municipal separate storm water permitting. Two positions in property management will manage statewide commercial harbors systems transactions and inventories. Three positions in the short-range planning unit will assist with Geographic Information System (GIS) development, environmental review compliance of capital improvement program projects, and review of legislation. In addition to providing funding for the aforementioned positions, funding is provided for a geographic information system for the harbors division.

#### *Highways*

Your Committee on Conference approves \$1,000,000 in special funds to repair all restroom facilities in Aliiimoku Hale. Restrooms at the facility are over fifty years old, and remediation of unsanitary conditions is necessary to ensure the health and safety of occupants.

Your Committee on Conference also approves \$3,300,000 in special funds to implement the Highways Division FAST Accounting System. Through a contract with Ciber, the completion of the new system will address significant limitations in the present accounting system.

Your Committee on Conference also approves \$3,000,000 in special funds to establish a national pollutant discharge elimination system and municipal separate storm water system permit for Maui District. Identified as an urbanized area since May 2013, Kahului, Maui, is under the purview of the Clean Water Act, which mandates a storm water management plan to minimize pollutant discharge.

#### University of Hawaii

The Conference Draft of the executive supplemental budget adjusts the University's appropriation for fiscal year 2014-2015 by adding

\$24,855,000 in general funds and \$83,270,000 in non-general funds. The Administration's supplemental budget request was to add \$37,526,775 in general funds and \$70,143,000 in non-general funds.

Your Committee on Conference approves \$14,000,000 in special funds and \$19,500,000 in general funds associated with collective bargaining costs of the University of Hawaii Professional Assembly. Additional general fund support will significantly relieve the University's reliance on tuition dollars and will help to ward off future tuition increases for university students.

Your Committee on Conference approves eighty-nine positions and \$4,000,000 in general funds for the University of Hawaii-West Oahu campus to support continued enrollment growth. The campus provides access to the underserved populations in the Leeward, North Shore, and Central Oahu areas and Native Hawaiian communities. The campus has not received the general fund support it needs to operate effectively. The positions and funds are critical for the University to ensure that its students, faculty, and staff have the necessary academic, student services, and facilities support for a quality four-year baccalaureate education.

Your Committee on Conference also approves \$1,000,000 in general funds for outcome-based funding for the Community Colleges. The funding is intended to be distributed to community college campuses that meet certain metrics and incentivize the campuses to improve.

The Conference Draft also makes other significant adjustments, including the following:

- (1) Adding \$45,970,000 in special funds and \$9,200,000 in revolving funds for various programs in University of Hawaii, Manoa (UOH100/AA);
- (2) Adding \$9,350,000 in special funds for various programs in University of Hawaii, John A. Burns School of Medicine (UOH110/PP);
- (3) Adding \$2,000,000 in special funds for various programs in University of Hawaii, Hilo (UOH210/MM); and
- (4) Adding fifty positions funded by general funds for the University of Hawaii, Community Colleges (UOH800).

#### **PART IV. CAPITAL IMPROVEMENTS PROGRAM BUDGET**

Your Committee on Conference finds that the State's economic situation is not what was anticipated and revenues have not increased as projected. In the first year of the 2013-2015 fiscal biennium, the focus was on infusing funds into the economy to create jobs and rebuild our aging infrastructure. However the importance of supporting capital improvement projects that will help diversify our economy has never been greater, along with the need for streamlining government operations and allocating financial resources in a manner more reflective of the current economic landscape.

Due to the current drop in projected revenues, as well as previous strategic investments in capital improvement program projects, your Committee on Conference took a more studied approach to the capital improvement program appropriations. Accordingly, your Committee on Conference, after carefully considering the current economy along with the proposals, needs, and priorities of the Administration and the departments, has provided a total of \$955,256,000 for fiscal year 2013-2014 and \$1,372,592,000 for fiscal year 2014-2015 for projects funded by general obligation bonds and \$5,094,070,000 in fiscal biennium 2013-2015 for projects funded by all means of financing. It should be noted that the appropriations for fiscal year 2014-2015 include a lapse and reauthorization of \$399,000,000 of general obligation bonds to recapitalize the state educational facilities improvement fund, as requested by the Administration.

While developing the capital improvement program budget, your Committee on Conference recognized the need to address the repair and maintenance and health and safety project backlogs that continue to plague the State's agencies and departments. Your Committee on Conference believes that this capital improvement program budget addresses the most basic necessities of many state facilities while remaining cautiously optimistic about the future growth and technological advancement of state operations.

Highlights of the capital improvement program budget for the biennium includes \$698,241,000 in total biennium appropriations for the Department of Education to address school improvements, upgrades, and renovations. Over \$110,000,000 was appropriated to the Hawaii Health Systems Corporation for critical repairs and upgrades for the state hospital system, as well as \$11,500,000 to protect our vital watershed areas.

Your Committee on Conference has approved \$389,994,000 to help the University of Hawaii address the needs of campus facilities and programs statewide. Of those funds, \$157,000,000 has been designated for capital renewal and deferred maintenance and health and safety projects for facilities statewide. Furthermore, your Committee on Conference sought to invest in university programs by appropriating \$33,000,000 for the Daniel K. Inouye College of Pharmacy facility at the University of Hawaii-Hilo, as well as \$28,800,000 for University of Hawaii-West Oahu's Allied Health and Administration Building.

Your Committee on Conference has also taken the first step toward creating a consolidated state department facility to be coordinated by the Department of Accounting and General Services. This facility will increase departmental efficiency and collaboration and will decrease general fund expenditures for private lease expenses. To achieve this end, \$15,000,000 was appropriated for the planning and design of the Liliha Civic Center.

Your Committee on Conference believes that the capital improvement projects within this budget will help the State to maintain the long-term viability of its current facilities, while also laying the foundation for the State to improve its operating efficiency through technological and physical infrastructure development and modernization.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1700, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1700, H.D. 1, S.D. 1, C.D. 1.

Representatives Luke, Cullen, Hashem, Ing, Jordan, Kobayashi, Lowen, Morikawa, Nishimoto, Onishi, Takayama, Tokioka, Woodson, Yamashita, Fukumoto, Johanson and Ward.  
Managers on the part of the House.

Senatros Ige, Chun Oakland, Dela Cruz, English, Espero, Kahele, Keith-Agaran, Kidani, Kouchi, Ruderman, L. Thielen and Tokuda.  
Managers on the part of the Senate.

**Conf. Com. Rep. 149-14 on H.B. No. 748**

The purpose of this measure is to propose an amendment to Article VII, section 12, of the Constitution of the State of Hawaii to authorize the State to issue special purpose revenue bonds and use the bond proceeds to assist agricultural enterprises on any type of land instead of only on important agricultural lands.

Your Committee on Conference has amended this measure by changing its effective date to make it effective upon compliance with Article XVII, section 3, of the Constitution of the State of Hawaii.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 748, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 748, H.D. 2, S.D. 1, C.D. 1.

Representatives Wooley, Rhoads, Onishi and Matsumoto.  
Managers on the part of the House.

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

**Conf. Com. Rep. 150-14 on H.B. No. 1745**

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

- (1) Authorize the State Public Charter School Commission (Commission) to assess fees on non-state entities and individuals to help cover its operating costs;
- (2) Require that a charter applicant comply with pre-opening criteria set by the charter school authorizer before becoming an entity of the State, by entering into and executing a charter contract to open a school;
- (3) Clarify that during the start-up period, a pre-opening charter school that is a conversion charter school is a separate entity of the State than the department school from which it is converting;
- (4) Clarify that pre-opening charter schools, unless otherwise exempted by the charter school authorizer:
  - (A) Shall not be entitled to receive funding under section 302D-26, 302D-28, 302D-29, or 302D-29.5, Hawaii Revised Statutes (HRS);
  - (B) Shall not employ employees other than independent contractors; and
  - (C) Shall not be subject to the performance framework requirements of section 302D-16, HRS;
- (5) Clarify that a charter school, along with its respective governing board, that has a current charter contract from its authorizer may operate as a charter school and receive public funds;
- (6) Clarify that the charter contract of a pre-opening charter school is void if the charter school fails to meet pre-opening criteria within the start-up period;
- (7) Specify that legislatively appropriated funding for the Commission is independent of funding for charter schools;
- (8) Allow charter school authorizers to negotiate and execute charter contracts with approved charter applicants and existing charter schools;
- (9) Amend annual reporting requirements for charter school authorizers and the Board of Education;
- (10) Require members of a charter school authorizer, including members of the Commission, to disclose a list of all charter schools in which the member has previously been an employee, governing board member, vendor, contractor, agent, or representative;
- (11) Amend requirements for service on a governing board, for the conduct of meetings by a governing board, and for notice of meetings by a governing board;
- (12) Repeal the authorization for the formation of a conversion charter school by an existing Hawaiian language immersion program;
- (13) Provide for the reconstitution of governing boards of charter schools under exigent circumstances;
- (14) Allow charter school authorizers to direct a governing board and charter school to take appropriate action to immediately address serious health and safety issues that may exist at a charter school; and

- (15) Make other housekeeping and conforming amendments.

Your Committee on Conference finds that in 2012, the Legislature passed Act 130, Session Laws of Hawaii 2012 (Act 130), which established a new charter school law that created a comprehensive governance structure for Hawaii's charter school system with clear lines of authority and accountability to foster improved student outcomes. As a result of Act 130, Hawaii's charter school system leapt to fourteenth place in the National Alliance for Public Charter Schools' rankings. This measure builds on the progress made by Act 130, while addressing outstanding issues and making other amendments for clarity.

Your Committee on Conference has amended this measure by:

- (1) Clarifying that the requirement for separate legislative appropriations for the Commission shall begin with the 2015-2016 fiscal year;
- (2) Adding language to require the Commission to submit a report to the Chairs of the Senate Committee on Ways and Means, Senate Committee on Education, House Committee on Finance, and House Committee on Education, on the Commission's staffing and operational expenditures by the twentieth day after the Commission submits its 2015-2016 budget request to the Governor or December 1, 2014, whichever is earlier;
- (3) Inserting an effective date of July 1, 2014; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1745, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1745, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Ing and Fale.  
Managers on the part of the House.

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

**Conf. Com. Rep. 151-14 on H.B. No. 1796**

The purpose of this measure is to promote the safety and well-being of students, staff, and others by prohibiting the use of seclusion, chemical restraint, and mechanical restraint and limiting the use of physical restraint in public schools.

Your Committee on Conference has amended the bill by, among other things:

- (1) Removing the prohibition against the imposition of physical restraint that is contraindicated based on the student's disability, health care needs, or medical or psychiatric condition, as documented in a health care directive or medical management plan, a behavior intervention plan, an individual education program, or an individualized family service plan (as defined in Section 602 of the Individuals with Disabilities Education Act, (20 U.S.C. 1401)), or plan developed pursuant to Section 504 of the Rehabilitation Act of 1973;
- (2) Amending the frequency and content of the written information that parents and legal guardians of students receive regarding the use of restraint in public schools;
- (3) Requiring the Department of Education to make information relating to policies and procedures available on its website;
- (4) Requiring the Department of Education to post changes on its website immediately, if policy or procedural changes related to restraint are made during the school year;
- (5) Requiring an annual, rather than quarterly, review of data on students at each public school who were restrained;
- (6) Establishing definitions for "behavior intervention plan", "emergency situation", and "positive behavioral supports and interventions";
- (7) Amending the frequency and content the Department of Education's reports to the Legislature;
- (8) Requiring the Department of Education to update the Senate Committee on Education and House of Representatives Committee on Education no later than 20 days prior to the convening of the Regular Session of 2017 on the Department of Education's policy and procedures on the use of restraint in public schools;
- (9) Appropriating \$250,000 to provide resources for training and data accountability;
- (10) Changing its effective date to upon its approval; provided that:
  - (A) Sections 2 and 3 of the bill take effect on August 1, 2016; and
  - (B) Section 6 of the bill takes effect on July 1, 2014; and
- (11) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 1796, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 1796, H.D. 2, S.D. 1, C.D. 1.

Representatives Takumi, Rhoads, Luke and Fale.  
Managers on the part of the House.

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

**Conf. Com. Rep. 152-14 on H.B. No. 2257**

The purpose of this measure is to provide the Board of Education with greater flexibility to establish the salary of the Superintendent of Education to attract and retain exemplary individuals to support a strong statewide public education system by:

- (1) Adjusting the salary cap on the Superintendent's position; and
- (2) Subjecting the Superintendent to an annual performance evaluation based on outcomes determined by the Board of Education.

Your Committee on Conference has amended the bill by:

- (1) Setting the salary cap on the Superintendent's position at \$250,000;
- (2) Providing that the Superintendent is subject to an annual performance evaluation in alignment with other employee evaluations within the Department of Education and based on outcomes determined by the Board of Education, but not prohibiting the Board of Education from conditioning a portion of the salary on performance;
- (3) Changing its effective date to upon its approval;
- (4) Establishing a sunset date of June 30, 2024;
- (5) Providing that any contracts entered into prior to June 30, 2024, will remain in effect for the duration of the contract; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of H.B. No. 2257, H.D. 2, S.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2257, H.D. 2, S.D. 2, C.D. 1.

Representatives Takumi, Nakashima, Nishimoto and Fale.  
Managers on the part of the House.

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