

FORTY-FIRST DAY

Thursday, May 21, 2020

The House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2020, convened at 12:26 p.m., with Speaker Saiki presiding.

The invocation was delivered by Representative Lauren Matsumoto, after which the Roll was called showing all members present with the exception of Representatives Eli, McDermott, and Thielen, who were excused.

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

ORDER OF THE DAY

FINAL READING

Representative Belatti moved to agree to the amendments made by the Senate to the following House Bills, seconded by Representative Morikawa and carried: (Representatives Eli, McDermott, and Thielen were excused.)

H.B. No. 2200, HD 1, (SD 1)
H.B. No. 117, (SD 1)
H.B. No. 1631, (SD 1)
H.B. No. 2725, HD 1, (SD 1)

SUSPENSION OF RULES

On motion by Representative Morikawa, seconded by Representative Matsumoto and carried, the rules were suspended for the purpose of considering certain House Bills for Final Reading by consent calendar. (Representatives Eli, McDermott, and Thielen were excused.)

FINAL READING

H.B. No. 2200, HD 1, SD 1:

Representative Belatti moved that H.B. No. 2200, HD 1, SD 1 pass Final Reading, seconded by Representative Morikawa.

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

"Thank you, Mr. Speaker. I wanted to stand in support of House Bill 2200, HD 1, SD 1. It is with some sadness that I am voting in support of House Bill 2200, HD 1, SD 1. Due to the situation that we are in caused by the COVID-19 virus, the Legislature is in a difficult position to figure out ways to fund the needed programs and services that the state government provides.

"This budget is in working with the Senate and to find ways to ensure that some of our essential services continue, and part of that hard discussion will be to eliminate vacant position and find lapses, at least for the short term, just to get a better handle on many of the budget needs. With the passage of House Bill 2200, HD 1, SD 1, the Legislature will continue to work to ensure that some of our critical services, including homeless services, elderly services, and hospital needs, be met, and the agreement between the House and the Senate that we will return in June to find ways to additionally fund some of the essential services.

"We just wanted to thank all the members for your assistance and your patience as we work through this challenge together. I wanted to thank the members of the Senate, especially Senator Donovan Dela Cruz and his WAM staff for working really hard on working with the departments to find the various lapses and vacancies. And so with that, thank you very much to the members."

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

"Mr. Speaker, in support. Mr. Speaker, as the Chair of Finance has indicated, because of the COVID-19, this is a special time for a special budget. I want to thank her for the astute analysis and logic that she's put into it.

"It's also an opportunity, because this is a time when we have to start opening our economy. And everyone in this House and the Senate has now a copy of Representative McDermott and my copy of Making Hawaii Safe for Travel. So, Mr. Speaker, I'm hoping that some of those funds will be able to be used for COVID-19 testing. Because yesterday the White House was very clear to the phone call they made to me that we now have the go ahead to do that, whereas before, it was always a bottleneck.

"So, Mr. Speaker, if we are going to build it, they will come. But if they don't feel safe, they won't come. So, Mr. Speaker, I hope that this budget satisfies that, but it's really to get our economy moving again that's going to allow us. And then there's another budget item here about all the extensive money that we are borrowing. If we're going to borrow the money, we are going to have to really crank up our economy, and the tourism industry is the first one to do that. For those reasons, Mr. Speaker, this is a good budget. Thank you."

The motion was put to vote by the Chair and carried, and H.B. No. 2200, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO THE STATE BUDGET," passed Final Reading by a vote of 47 ayes to 1 no, with Representative Say voting no, and with Representatives Eli, McDermott and Thielen being excused.

At 12:36 p.m., the Chair noted that the following bill passed Final Reading:

H.B. No. 2200, HD 1, SD 1

At this time, the Chair stated:

"Members, we'll be taking a recess while the Clerk enrolls the budget bill with the Governor's Office."

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

The House of Representatives reconvened at 12:49 p.m.

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

"I have been informed by the Assistant Clerk of the House that at 12:40 p.m. on this day, H.B. No. 2200, HD 1, SD 1 has been duly transmitted by the Legislature to the Governor, pursuant to Article VII, Section 9 of the Hawaii State Constitution."

H.B. No. 117, SD 1:

Representative Belatti moved that H.B. No. 117, SD 1 pass Final Reading, seconded by Representative Morikawa.

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

"Mr. Speaker, with reservations. And as an unusual request, may I have my comments in the Journal, of which I request that there will be three points that I would request. Unfortunately, Mr. Funaki is retired, because yesterday I was told I couldn't do a floor amendment, which would have added 'and later,' meaning that we don't know what the economic conditions are now or probably by next summer. We may not know. So, that would be one of the reasons for.

"Secondly, it would be something that would make us, when there's others who are waiting in line for their pay, that we could probably give them a date certain. Because this one does give a date certain. So, add 'or later' would be what the amendment would have done. But I'll reserve my comments for the Journal and we'll pick it up in July or in June for when this goes in effect. Thank you, Mr. Speaker."

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. While I support the freezing of salary increases for legislators, it seems imprudent to put a hard-stop date of when they will go into effect. As I stated on the floor of this chamber, I attempted to submit

a floor amendment for consideration, which would add the words 'or later' following the June 30, 2021 deadline.

"I was shocked to learn that I was disallowed by the Clerk to file such an amendment; this denial was unfair and unconstitutional and was reported to the House Attorney, who said I should be allowed to introduce a floor amendment for final reading. Hopefully this never happens again. The purpose of the amendment was to show others waiting in line for a pay raise that we too do not have a TIME CERTAIN with which to deserve a pay raise. Other pay raises for workers are pending, but ours is fixed for next July 2021. Inserting 'or later' puts us on an equal playing field with all others and would have made the Legislature look better than the way the wording of the bill at present; plus, we don't know if our economy would support a pay raise next July 2021.

"Giving a buffer for the Legislature to deliberate ensures to the public, many of whom still may be recovering financially, that we as their elected representatives are mindful of the economic conditions and are not 'voting in favor of our own pay raises.'

"Public trust and confidence in this legislature to make decisions in their best interest is vital to good governance. I thus stand with reservations. *Mahalo.*"

The motion was put to vote by the Chair and carried, and H.B. No. 117, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE FUNDS," passed Final Reading by a vote of 48 ayes to 1 no, with Representative Ward voting aye with reservations, with Representative Say voting no, and with Representatives McDermott and Thielen being excused.

H.B. No. 1631, SD 1:

Representative Belatti moved that H.B. No. 1631, SD 1 pass Final Reading, seconded by Representative Morikawa.

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

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

"Mr. Speaker, in support, brief comment. As some op-eds and some news has indicated, people are hurting out there. And I think we feel the pain of what the people are feeling out there. We are not denying any of those who are giving food or homeless or other kinds of sustenance to those who are in need of it, but this bill makes a big decision. Either we're going to borrow or we're going to cut. If we are going to cut, there's going to be salaries and there's going to be people, there may even be furloughs. And what this does is put us in a level of indebtedness that goes beyond what the 18.5 says in the Constitution that we can borrow. And for the next few years, Mr. Speaker, it's going to be hard to make this up.

"Here is what I'm saying, here's the bottom line, Mr. Speaker. We are doing the right thing now, but it really is an imperative for us to really crank up our economy. Mr. Speaker, we're going to have to grow ourselves out of a huge amount of debt that we are putting ourselves into, probably about \$3 billion. And if we could cut regulations, if we could gut and streamline and promote entrepreneurship, we can do it. But right now, this is going to be a burden for the next number of years. It's the best way to go. It's not good, you get between a rock and a hard place, you either got to borrow a lot of money or you have to cut positions.

"Eighty percent of an economy is based upon spending. You have to keep the flow of funds within the pipeline. And this budget does that because it doesn't cut people's salaries. But, Mr. Speaker, we know that you've always got to pay the piper after you've borrowed or after you've used that. And that's what I'm fearful of.

"We've got to really gear up our economy. I hope everybody becomes a pro-development, pro-growth, pro-diversification, pro-entrepreneurship, pro-everything, so we could fill this *puka*. And some have said, oh well wait, the feds, there's a Pelosi bill that's going to give us another \$3 trillion. I would say don't hold your breath on that one. I know there's a revenue shortage. And again, I say the White House has told me that every state is looking for that money, red or blue. But the probability of putting the United States Treasury into a \$6 trillion deficit is probably not a high probability.

"So, Mr. Speaker, we've got to grow ourselves out of this. We can do that. And like a family or a small business, when they have hard times, they get a bridge loan, they do home equity, but they get over the hump. And Mr. Speaker, that's what this budget does for us. It's wise, it's not making everybody happy, but it's putting us in debt, and we've got to get ourselves, economically, to grow and to get out of that debt. Otherwise, our kids, our grandkids are going to be really, really burdened. Thank you."

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

The motion was put to vote by the Chair and carried, and H.B. No. 1631, SD 1, entitled: "A BILL FOR AN ACT RELATING TO STATE BONDS," passed Final Reading by a vote of 49 ayes, with Representatives Okimoto and Say voting aye with reservations, and with Representatives McDermott and Thielen being excused.

H.B. No. 2725, HD 1, SD 1:

Representative Belatti moved that H.B. No. 2725, HD 1, SD 1 pass Final Reading, seconded by Representative Morikawa.

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

"Strong support, written comments."

Representative Quinlan's written remarks are as follows:

"Today I would like to give a very special *mahalo* to the Chair of the Finance Committee, as well as its Vice Chair for CIP. By fully funding Kahuku's new track and field, they are sending a strong message to the Ko'olauloa community that their voices matter."

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

"Mr. Speaker, once more with reservations with a few comments. On a very personal note, with reservations, I would like to have the members of the House realize that what we're passing today is the CIP budget. But more importantly in the increase that occurred in the Department of Transportation as far as projects.

"Let's not forget that the financing of the debt service will come from the landing fees, concession fees, *et cetera*, which is now hemorrhaging at the Department of Transportation, Airports Division. Also try to remember this, that at the harbors there is also the tonnage issue, as far as the tonnage of merchandise coming in from the West Coast has dropped. And that will contribute also to the effect, can we finance capital improvement projects for these two major divisions of the Department of Transportation.

"It is a concern for me because I can't see us getting ourselves more and more in debt without revenues coming in to pay what we have paid in the past, what we're paying now presently, and what we'll be paying in the future with the float of these special purpose revenue bonds or revenue bonds.

"So, in closing, for the members of the House, there's something for you to consider. But, in the meantime, I think maybe it is a stop gap measure in trying to see shovel ready projects take off. But I was very disappointed that we agreed with the Senate on a particular project in Wahiawa whereby in today's state budget we whacked that particular branch over \$11 million in operating. So, you can build up the courthouse without personnel, and that's great. But I think we're doing a fantastic job as far as the state employees and the volunteers at the Department of Labor, Unemployment Division, because everything I think in the next future, the paradigm will probably switch, that maybe we don't need bricks and mortars, but working from home with tele. So, in closing, that's my reservations, Mr. Speaker. Thank you."

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

"Mr. Speaker, strong support, written comments please."

Representative Belatti's written remarks are as follows:

"I rise in strong support of House Bill 2725, Senate Draft 1.

"This bill is an investment in our future at a time when the grim realities of a crippled economy seem to overwhelm us. By investing more than \$5.1 billion in projects across our state, we are going to build projects that improve our community, keep people working, and lay the foundation for a more livable Hawaii. The public infrastructure identified in this bill includes school projects, renovations and improvements to public libraries, additions and improvements to public healthcare facilities, transportation improvements, affordable housing projects, technology improvements including the modernization of the unemployment insurance information technology system, park improvements, and university projects across the state. State agencies will now have the responsibility to carry these projects forward, but if we can come out of 2020 with many of these projects underway, we will have succeeded in shoring up our economy in these turbulent times and building the important infrastructure needed by our communities."

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

"Thank you, Mr. Speaker. In support. I just wanted to thank the CIP Chair, the very good reserved individual who is a gentleman from Maui. He worked very hard with the various departments to figure out the shovel ready projects. This was kind of an unusual situation where he had to work doubly, or triply, or tenfold hard to identify some of the shovel ready projects with the departments.

"So, to the prior, prior, prior speaker in relation to the Department of Transportation, this is the list that he worked directly with the Department of Transportation. And as he was a former Finance chair also, we all realize that this is something that encompasses the Legislature's budget, but the Governor still has to go and sell bonds. So, this is not a mandate. Sometimes I wish it was a mandate because then some of our projects could be done, but the Governor still has to go out and sell bonds, as he should, in a timely basis, and also authorize many of these projects."

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

"In strong support."

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

Representative Ward's written remarks are as follows:

"Thank you, Mr. Speaker. I support this measure and would like to commend the good Representative from Maui who serves as the CIP Chair for this body. These 'shovel-ready' projects are a good stimulus to our economy and allow many of our constituents to provide for their families. While there may be pork in this measure, it nevertheless serves many in our state who are out of work, and I hope that such projects will be edifying to their respective communities.

"We have exceeded our constitutional borrowing limit for a good cause to get through this dry period in our economy, but as I said on the floor, we had better really beef up our economy and entrepreneurship over the next three to six years if we are ever to get out of debt. That is, we mean to go from the least business-friendly state to the most business-friendly state in the nation. Entrepreneurship should be encouraged in all executive departments and regulations on small business should be cut. Our children and grandchildren have a heavy debt ahead of them unless we pull out the stops and get our economy revved up again. *Mahalo*."

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

"Strong support, written comments to the Journal."

Representative McKelvey's written remarks are as follows:

"Very happy we were able to sharpen our pencils and fund these important projects. Many of these projects, like the \$9 million for infrastructure to build the next phase of Villages of Leali'i and the \$2.3 million for Lahainaluna Campus, will improve our quality of life and will help kick-start our economy as well."

The motion was put to vote by the Chair and carried, and H.B. No. 2725, HD 1, SD 1, entitled: "A BILL FOR AN ACT RELATING TO CAPITAL

IMPROVEMENT PROJECTS," passed Final Reading by a vote of 49 ayes, with Representative Say voting aye with reservations, and with Representatives McDermott and Thielen being excused.

At 12:59 p.m., the Chair noted that the following bills passed Final Reading:

H.B. No. 117, SD 1
H.B. No. 1631, SD 1
H.B. No. 2725, HD 1, SD 1

SUPPLEMENTAL CALENDAR #1

SENATE COMMUNICATIONS

The following communication from the Senate (Sen. Com. No. 533) was received and announced by the Clerk:

Sen. Com. No. 533, transmitting S.C.R. No. 244, entitled: "SENATE CONCURRENT RESOLUTION RELATING TO THE RECESS OF THE THIRTIETH LEGISLATURE, REGULAR SESSION OF 2020," which was adopted by the Senate on May 21, 2020.

On motion by Representative Belatti, seconded by Representative Morikawa and carried, S.C.R. No. 244 was adopted, with Representatives McDermott and Thielen being excused.

ANNOUNCEMENTS

Representative Tokioka: "Thank you, Mr. Speaker. It's a very sad announcement, Mr. Speaker, but I think it's important. As we know from the Department of Health records, 17 people have passed from the COVID pandemic. But what might not be widely known is that on Kauai, and on behalf of the Kauai delegation, seven people, seven individuals have committed suicide on Kauai, and this all started since the pandemic. So, at the appropriate time, Mr. Speaker, can we have a moment of silence for the people who have passed. And our condolences and prayers go out to those families."

Speaker Saiki: "We will do that after we adjourn. Thank you."

ADJOURNMENT

At 1:01 p.m., on motion by Representative Morikawa, seconded by Representative Matsumoto and carried, the House of Representatives adjourned pursuant to S.C.R. No. 244. (Representatives McDermott and Thielen were excused.)

HOUSE COMMUNICATIONS

House Communication dated May 21, 2020, from Brian L. Takeshita, Chief Clerk of the House of Representatives, to the Honorable President and members of the Senate, informing the Senate that the House has this day agreed to the amendments made by the Senate and passed the following House Bills on Final Reading:

H.B. No. 2200, HD 1, SD 1
H.B. No. 117, SD 1
H.B. No. 1631, SD 1
H.B. No. 2725, HD 1, SD 1